

GRANT FUNDING OPPORTUNITY

Low-Carbon Fuel Production Program



GFO-19-601 Addendum 2
<https://www.energy.ca.gov/funding-opportunities/solicitations>
State of California
California Energy Commission
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ATTACHMENTS

Attachment Number	Title
1A	Pre-Application Abstract Form
1B	Full Application Form
2	Scope of Work Template
3	Scope of Work Instructions
4	Schedule of Products and Due Dates
5	Budget Forms
6	Contact List
7	California Environmental Quality Act (CEQA) Worksheet
8	Localized Health Impacts Information
9	LCFPP Terms and Conditions
10	Community Engagement Questionnaire
11	Evaluation Criteria for Providing Benefits To Priority Populations-Clean Transportation and Equipment

I. Introduction

NOTE: This solicitation is for the Low Carbon Fuel Production Program and the solicitation documents are unique and different from other California Energy Commission solicitations. Please do not use attachments from other Energy Commission grant solicitations (e.g., grant solicitations for the Clean Transportation Program, Electric Program Investment Charge (EPIC) and Food Production Investment Program (FPIP)).

A. PURPOSE OF SOLICITATION

California's on-road transportation sector accounts for roughly 41 percent of the state's greenhouse gas (GHG) emissions,¹ and when oil production and refining are included, it is nearly 50 percent. The Low-Carbon Fuel Production Program (LCFPP), funded by the Budget Act of 2018, as amended by Senate Bill 856 (Committee on Budget and Fiscal Review, Chapter 30, Statutes of 2018), provides grants to California's vehicle fuel production industry to reduce GHG emissions associated with transportation use and advances the purposes of Assembly Bill 32 (Pavley and Núñez, Chapter 488, Statutes of 2006) and Senate Bill 32 (Pavley, Chapter 249, Statutes of 2016).

All projects funded under LCFPP must reduce GHG emissions, further the purposes of AB 32 and SB 32, and must be located in California.

LCFPP will support new and expanded renewable, ultra-low-carbon transportation fuel production at advanced fuel production plants and help the California fuel industry, vehicle manufacturers, and operators work toward a low-carbon future. Providing support for more low-carbon fuels will reduce GHG emissions, decrease air pollution, and help achieve the state's climate change and clean air goals. This support could help ensure California's alternative fuel production industries remain competitive and operational, and the associated jobs remain in California.

This solicitation is consistent with the LCFPP Guidelines (Guidelines) that were adopted by the Energy Commission on July 15, 2019. The Guidelines provide details on how the Energy Commission will administer the LCFPP and includes information on program design, project selection, administrative requirements, project tracking and metrics, and reporting. The guidelines can be downloaded at: <https://www.energy.ca.gov/programs-and-topics/programs/low-carbon-fuel-production-program>.

B. BACKGROUND

The LCFPP is part of California Climate Investments, a statewide program that puts billions of cap-and-trade dollars to work reducing GHG emissions, strengthening the economy, and improving public health and the environment, particularly in disadvantaged communities. The Cap-and-Trade Program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling, and much more. At least 35 percent of these investments are located within and benefiting residents of disadvantaged

¹ California Air Resources Board. 2016 Greenhouse Gas Emission Inventory – 2018 Edition. <https://www.arb.ca.gov/cc/inventory/data/data.htm>.

communities, low-income communities, and low-income households across California. For more information, visit the California Climate Investments website at www.caclimateinvestments.ca.gov.

All California Climate Investments programs must advance Assembly Bill (AB) 32 and Senate Bill (SB) 32 as the primary program goal, and each project must provide real and quantifiable GHG emission reductions. The LCFPP will accelerate the adoption of renewable fuels and alternative fuel vehicle technologies that support achieving the state's long-term GHG emissions reduction goals while maximizing other co-benefits. The Energy Commission, in alignment with California Climate Investments principles, will prioritize funds investment in projects that achieve the highest GHG reductions, maximize benefits to disadvantaged communities, and are necessary to meet the state's climate goals. These investments are expected to encourage projects that support California's existing plans, policies, and initiatives (for example, California's *2017 Climate Change Scoping Plan* and the measures included therein, *California Sustainable Freight Action Plan*, *Mobile Source Strategy*, and *Short-Lived Climate Pollutant Strategy*).

This program gives applicants opportunities to work together with other agencies to provide and maximize benefits (for example, the California Department of Food and Agriculture's Dairy Digester Research and Development Program and the California Department of Resources Recycling and Recovery's (CalRecycle) Organics Grant Program). To avoid duplicative funding, applicants must coordinate with local, state, and federal programs.

A full description of all the energy and climate laws and policies governing LCFPP is found in the Guidelines (<https://www.energy.ca.gov/programs-and-topics/programs/low-carbon-fuel-production-program>). The major policies that govern LCFPP include the following:

- **AB 32** created a comprehensive program mandating a reduction in California GHG emissions to 1990 levels by 2020. In implementing AB 32, the California Air Resources Board (CARB) developed a scoping plan describing the approach California will take to reduce GHG emissions, including the Cap-and-Trade Program. CARB must update the plan every five years. Additional information can be found at: <http://www.arb.ca.gov/cc/ab32/ab32.htm>.
- **SB 32** requires CARB to adopt rules and regulations to ensure that statewide GHG emissions are reduced to 40 percent below the 1990 levels by 2030.
- **SB 535** requires the California Environmental Protection Agency (CalEPA) to identify disadvantaged communities and requires CARB to provide guidance on maximizing benefits to these communities.
- **AB 1550** (Gomez, Chapter 369, Statutes of 2016) amends existing SB 535 (DeLeon, Chapter 830, Statutes of 2012) to set investment minimums for Greenhouse Gas Reduction Fund (GGRF) projects in and benefiting disadvantaged communities and low-income communities and includes the following requirements:

- A minimum of 25% of the proceeds to be invested in projects located within and benefitting individuals living in disadvantaged communities;
- An additional minimum of 5% be invested in projects located within and benefitting individuals living in low-income communities or benefitting low-income communities statewide; and
- An additional minimum of 5% be invested in projects that are located within and benefitting individuals living in low-income communities, or benefitting low-income households that are within one-half mile of a disadvantaged community.

C. KEY WORDS/TERMS

Table 1 identifies the key words or terms used in this solicitation.

Table 1: Key Words and Terms

Word/Term	Definition
AB	Assembly Bill
Applicant	An entity who submits a funding proposal under the solicitation.
Application	Formal written response to this document from applicant.
Awardee/Recipient	An applicant awarded a grant under this solicitation.
Benefits Calculator	The California Air Resources Board (CARB) developed Low Carbon Fuel Production Program (LCFPP) Benefits Calculator Tool (Version 1.1) and supporting LCFPP Quantification Methodology: www.arb.ca.gov/cc-resources .
CAM	Commission Agreement Manager
CAO	Commission Agreement Officer
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CI	Carbon intensity: The amount of life-cycle greenhouse gas emissions, per unit of fuel energy, expressed in grams of carbon dioxide equivalent per megajoule (gCO _{2e} /MJ).
CCI	California Climate Investments: An umbrella term and associated logo developed for communication with funding recipients and the public to identify programs or projects funded in whole or in part by the GGRF. For additional information, please refer to http://www.caclimateinvestments.ca.gov/ .
Clean Transportation Program	Previously known as the Alternative and Renewable Fuel and Vehicle Technology Program, the program created by AB 118 is charged with developing and deploying alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change policies.
CO _{2e}	Carbon dioxide equivalent
Co-benefit	Economic, environmental, or public health benefit, other than GHG emission reductions, that results from LCFPP. https://ww2.arb.ca.gov/resources/documents/cci-methodologies
CPR	Critical project review
Disadvantaged communities	Areas that are disproportionately affected by specific types of pollution and areas with vulnerable populations. Per SB 535, CalEPA is responsible for identifying disadvantaged communities for the California Climate Investments. Disadvantaged communities are designated as the top 25 percent highest scoring census tracts in

Word/Term	Definition
	CalEnviroScreen 3.0, ² along with other areas with high amounts of pollution and low populations.
DGE	Diesel gallon equivalent
Energy Commission	California Energy Commission
GAAP	Generally Accepted Accounting Principles
GFO	Grant funding opportunity
GGRF	Greenhouse Gas Reduction Fund
GHG	Greenhouse gas
Guidelines	Low-Carbon Fuel Production Program: 2019 Program Implementation Guidelines
LCFPP	Low-Carbon Fuel Production Program
LCFS	Low Carbon Fuel Standard, which is administered by CARB
M&V	Measurement and verification
Mandatory Reporting, MRR	Reporting of GHG emissions by major sources is required by the California Global Warming Solutions Act of 2006 (AB 32). The Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR) is applicable to electricity generators, industrial factories, fuel suppliers, and electricity importers. The MRR program requires annual reporting of GHGs from sources that emit greater than 10,000 metric tons of CO ₂ e. For more information, please refer to https://ww2.arb.ca.gov/mrr-data .
NOPA	Notice of proposed award
NOPAR	Notice of Pre-Application result
Priority populations	Priority populations include residents of (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535, (2) census tracts identified as low-income per AB 1550, or (3) a low-income household per AB 1550.
SB	Senate Bill
Solicitation	The document that requests grant applications from interested parties and includes all attachments, exhibits, any addendums and written notices, and questions and answers. Solicitation may be used interchangeably with grant funding opportunity.
State	State of California
Total allowable project costs	The sum of the Energy Commission's reimbursable share and the recipient's match share.
Very low-carbon fuels	Fuels with a carbon intensity less than 40 percent of fossil fuels.
Ultra-low-carbon fuels	Fuels with a carbon intensity of 30 gCO ₂ e/MJ or less.

Source: California Energy Commission

D. COMMITMENT TO DIVERSITY

The Energy Commission is committed to ensuring that participation in its LCFPP reflects the rich and diverse characteristics of California and its people. To meet this commitment, Energy Commission staff conducts outreach efforts and activities to:

- Ensure potential new applicants throughout the state are aware of the Energy Commission's LCFPP and the funding opportunities the program provides.

² <http://calepa.ca.gov/EnvJustice/GHGInvest/>.

- Encourage greater participation by underrepresented groups including small businesses and women-, minority-, disabled veteran-, and lesbian, gay, bisexual, and transgender (LGBT) -owned businesses.
- Assist applicants in understanding how to apply for funding from the Energy Commission's LCFPP.

E. KEY ACTIVITIES AND DATES

Table 2 identifies the key activities and dates and times for this solicitation. An addendum will be released if the dates change for the asterisked (*) activities.

Table 2: Key Activities and Dates

ACTIVITY	ACTION DATE
Solicitation Release	August 28, 2019
Pre-Application Workshop*	September 10, 2019 at 10:00 a.m.
Deadline for Written Questions*	September 10, 2019 at 5:00 p.m.
Anticipated Distribution of Questions/Answers and Addenda (if any) to solicitation	Week of September 23, 2019
Pre-Application Abstract Due by 5:00 p.m.*	October 2, 2019
Anticipated Posting of Pre-Application Abstract Results	October 24, 2019
Deadline for Written Questions*	November 1, 2019 at 5:00 p.m.
Anticipated Distribution of Questions/Answers and Addenda (if any) to solicitation	Week of November 18, 2019
Deadline to Submit Full Applications by 5:00 p.m.*	December 3, 2019
Anticipated Notice of Proposed Awards Posting	January 15, 2020
Anticipated Energy Commission Business Meeting	April 2020

F. HOW AWARD IS DETERMINED

Applicants passing administrative and technical screening will compete based on evaluation criteria, and will be scored and ranked based on those criteria. Unless the Energy Commission exercises any of its other rights regarding this solicitation (e.g., to cancel the solicitation or reduce funding), applications obtaining at least the minimum passing score will be recommended for funding in ranked order until all funds available under this solicitation are exhausted.

G. AVAILABILITY OF FUNDS AND MAXIMUM AWARD AMOUNTS

A total of \$12,500,000 is available for awards under this solicitation. The maximum award amount will be 50% of total project costs or \$5.0 million, whichever is less. Unless the Energy Commission exercises any of its other rights regarding this solicitation (e.g., to cancel the solicitation or reduce funding), applications obtaining at least the minimum passing score will be recommended for funding in ranked order until all funds available under this solicitation are exhausted.

The Energy Commission, at its sole discretion, reserves the right to:

- Release additional solicitations for funds from later fiscal years, as additional funds become available or additional funds are allocated to the LCFPP.
- Allocate any additional or remaining funds not awarded to passing applications, in rank order.
- Reduce funding for a project if the budgeted funds are insufficient to provide full funding. In this event, the Awardee and Commission Agreement Manager will work to reach agreement on a reduced Scope of Work commensurate with available funding.
- Increase or decrease the amount of funds available under this solicitation.

H. MAXIMUM NUMBER OF APPLICATIONS

Applicants may submit multiple applications under this solicitation. Each proposed project must be separate and distinct and adhere to all requirements contained in this solicitation.

I. PRE-APPLICATION WORKSHOP

There will be one Pre-Application Workshop; participation in this meeting is optional but encouraged. The Pre-Application Workshop will be held through in-person participation, WebEx, and conference call at the date, time and location listed below. Please call (916) 654-4381 or refer to the Energy Commission's website at <https://www.energy.ca.gov/funding-opportunities/solicitations> to confirm the date and time.

September 10, 2019
10:00 a.m. – Noon
California Energy Commission
Imbrecht Hearing Room
(formerly Hearing Room B)
1516 9th Street
Sacramento, CA 95814

J. PARTICIPATION THROUGH WEBEX

WebEx Instructions:

- To join the WebEx meeting, go to <https://energy.webex.com/ec> and enter the event number and password below:

Event Number: 920 787 755

Event Password: N/A

Topic: Pre-Application Workshop for Low Carbon Fuel Production Program

- To Logon with a Direct Phone Number: After logging into WebEx, a prompt will appear on-screen for a phone number. In the "Number" box, enter your area code and phone number and click "OK" to receive a call for the audio of the meeting. International callers may use the "Country/Region" button to help make their connection.

- To Logon with an Extension Phone Number: After you login, a prompt will ask for your phone number. Select "CANCEL." Call 1-866-469-3239 (toll-free in the U.S. and Canada). When prompted, enter the meeting number above and the unique Attendee ID number listed in the top left area of the screen after login. International callers may dial in using the "Show all global call-in numbers" link (also in the top left area).

Telephone Access Only:

Call **1-866-469-3239** (toll-free in the U.S. and Canada). When prompted, enter the meeting number above. International callers may select their number from <https://energy.webex.com/cmp3300/webcomponents/widget/globalcallin/globalcallin.do?siteurl=energy&serviceType=EC&eventID=681488357&tollFree=1>.

Technical Support:

- For assistance with problems or questions about joining or attending the meeting, please call WebEx Technical Support at 1-866-229-3239.
- System Requirements: To determine whether your computer is compatible, visit: <http://support.webex.com/support/system-requirements.html>.
- Meeting Preparation: The playback of UCF (Universal Communications Format) rich media files requires appropriate players. Please determine whether the players are installed on your computer by visiting: <https://energy.webex.com/energy/systemdiagnosis.php>.

K. QUESTIONS

During the solicitation process, questions of clarification about this solicitation must be directed to the Commission Agreement Officer listed in the following section. You may ask questions at the Pre-Application Workshop, and you may submit written questions via mail, electronic mail, and by FAX. However, all questions must be received by 5:00 p.m. on September 10, 2019.

Question and answer sets will be e-mailed to all parties who attended the Pre-Application Workshop and provided their contact information on the sign-in sheet. The questions and answers will also be posted on the Energy Commission's website at: www.energy.ca.gov/contracts/index.html.

Any verbal communication with an Energy Commission employee concerning this solicitation is not binding on the State and shall in no way alter a specification, term, or condition of the solicitation. All communication must be directed in writing to the Commission Agreement Officer assigned to the solicitation.

L. CONTACT INFORMATION

Kevyn Piper, Commission Agreement Officer
 California Energy Commission
 1516 Ninth Street, MS-18
 Sacramento, California 95814
 Telephone: (916) 654-4845
 FAX: (916) 654-4423
 E-mail: Kevyn.Piper@energy.ca.gov

M. REFERENCE DOCUMENTS

Applicants responding to this solicitation may want to familiarize themselves with the following documents:

- 1) Low-Carbon Fuel Production Program: 2019 Program Implementation Guidelines
<https://www.energy.ca.gov/programs-and-topics/programs/low-carbon-fuel-production-program>

Low-Carbon Fuel Production Program: 2019 Program Implementation Guidelines display and available for review in the Energy Commission's Library, in addition to being available at the website listed above. Library hours are Monday – Friday from 8:30 a.m. to 4:30 p.m., closed for lunch 12:00 – 1:00 p.m. The Library is located at: California Energy Commission, 1516 Ninth Street, First Floor, Sacramento, CA 95814, (916) 654-4292.

- 2) California Environmental Protection Agency, Office of Environmental Health Hazard Assessment, Sacramento, CA. CalEnviroScreen 3.0.
<https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>

Applicants are encouraged to use CalEnviroScreen 3.0 when applying for funding under this solicitation.

II. Eligibility Requirements

A. APPLICANT REQUIREMENTS

1. Eligibility

LCFPP is open to all public and private entities. To be eligible, applicants must have a business presence in California.

2. Terms and Conditions

Each grant agreement resulting from this solicitation will include terms and conditions that set forth the recipient's rights and responsibilities. By signing the Pre-Application Abstract Form (Attachment 1A) and the Full Application Form (Attachment 1B), each applicant agrees to enter into an agreement, if awarded, with the Energy Commission to conduct the proposed project according to the terms and conditions without negotiation. Please see Attachment 9 for the terms and conditions which apply to agreements awarded through this solicitation.

Failure to agree to the terms and conditions by taking actions such as failing to sign the Application Forms or indicating that acceptance is based on modification of the terms will result in rejection of the Application. Applicants must read the terms and conditions carefully. The Energy Commission reserves the right to modify the terms and conditions prior to executing grant agreements.

3. California Secretary of State Registration

All corporations, limited liability companies (LLCs), limited partnerships (LPs) and limited liability partnerships (LLPs) that conduct intrastate business in California are required to be registered and in good standing with the California Secretary of State prior to its project being recommended for approval at an Energy Commission Business Meeting. If not currently registered with the California Secretary of State, applicants are encouraged to contact the Secretary of State's Office as soon as possible to avoid potential delays in beginning the proposed project(s) (should the Application be successful). For more information, contact the Secretary of State's Office via its website at www.sos.ca.gov. Sole proprietors using a fictitious business name must be registered with the appropriate county and provide evidence of registration to the Energy Commission prior to their project being recommended for approval at an Energy Commission Business Meeting.

B. PROJECT REQUIREMENTS

To be eligible for funding, projects must meet all the following requirements:

1. Be new or expanded renewable ultra-low-carbon transportation fuel production projects at new and existing advanced fuel production plants to achieve major GHG emission reductions necessary to transition the transportation sector into a low-carbon future.
2. Projects must be in California. Project construction and operations must also occur in California.

3. The proposed projects must use an eligible feedstock, as discussed in the subsequent section on eligible feedstocks.
4. The proposed project must result in new fuel production capacity. Existing fuel production plants can be expanded or modified to increase fuel production capacity. The proposed project must increase fuel production capacity by at least 1 million diesel gallon equivalents (DGE) per year.
5. The proposed project must result in a renewable fuel with a calculated carbon intensity of 30 g CO₂ /MJ or less. Eligible ultra-low-carbon fuels include diesel substitutes, gasoline substitutes, renewable hydrogen, biomethane, and electricity for transportation use.
6. The proposed project must reduce on-road motor vehicle air emissions.

For purposes of this solicitation, eligible ultra-low-carbon fuels include the following:

Diesel substitutes. These include renewable diesel, biodiesel, renewable hydrogen, or other suitable substitutes, including Dimethyl Ether (DME) and renewable electricity. These products can be used in pure form or blended.

Gasoline substitutes. These include ethanol, biobutanol, renewable gasoline, renewable hydrogen or other suitable substitutes, including renewable electricity. These products can be used in pure form or blended.

Biomethane. Biomethane is renewable natural gas produced from organic material.

Aviation fuel is not an eligible ultra-low-carbon fuel for this solicitation.

C. ELIGIBLE FEEDSTOCKS

For purposes of this solicitation, eligible feedstocks must be organic material not derived from fossil fuels or inorganic greenhouse gases, including but not limited to:

- Pre-landfilled waste-based biomass
- Alternative purpose-grown crops
- Agricultural residues
- Biocrude
- Woody biomass and forest residues
- Animal manures³
- Food waste
- The organic portion of pre-landfilled municipal solid waste (MSW)⁴

³ California Regional Water Quality Control Board, Central Valley Region, "Dairy Manure Digester and Co-Digester Facilities: Final Program Environmental Impact Report" November 2010
http://www.waterboards.ca.gov/centralvalley/board_decisions/tentative_orders/1012/dairy_digester_eir/dairy_digstr_fpeir.pdf

⁴ California Department of Resources Recycling and Recovery (CalRecycle), "Statewide Anaerobic Digester Facilities for the Treatment of Municipal Organic Solid Waste: Final Program Environmental Impact Report" June 2011.
<https://www2.calrecycle.ca.gov/Docs/105959>

Biomass is defined as any organic material not derived from fossil fuels or inorganic greenhouse gases, including, but not limited to:

- Agricultural crops
- Agricultural waste and residues
- Rangeland maintenance residues
- Biosolids
- Sludge derived from organic matter
- Landscape and right-of-way tree trimmings
- Wood waste from timbering operations
- Mill residues that result from milling lumber
- Waste pallets
- Crates
- Dunnage, manufacturing, and construction wood wastes
- Wood

Agricultural wastes and residues include, but are not limited to:

- Animal wastes
- Remains and tallow
- Food wastes
- Recycled cooking oils

Landscape or right-of-way tree trimmings include all solid waste materials that result from tree or vegetation trimming or removal to establish or maintain a right-of-way on public or private land for the following purposes:

- 1) For the provision of public utilities, including, but not limited to, natural gas, water, electricity, and telecommunications.
- 2) For fuel hazard reduction resulting in fire protection and prevention.
- 3) For the public's recreational use.⁵

Corn grain is NOT an eligible feedstock; however, this limitation does not apply to ethanol derived from corn stover, leaves, cobs, or other nonedible plant portions of the corn.⁶ If using municipal solid waste (MSW) as a feedstock, only the biogenic fraction of the waste stream is eligible.

Landfill gas is NOT eligible.

Eligible renewable feedstocks for renewable hydrogen production include biomethane or biogas such as: biomass digester gas, sewer (wastewater) gas, municipal solid waste gas from pre-landfilled material, or other waste fuels. Systems using other waste biomass feedstocks, such as biomass waste or residues, may be eligible if the

5 California Energy Commission, "Commission Guidebook, Overall Program Guidebook, Second Edition." January 2008. <http://www.energy.ca.gov/2007publications/CEC-300-2007-003/CEC-300-2007-003-ED2-CMF.PDF>.

6 California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007, California Health & Safety Code, Article 2, Alternative and Renewable Fuel and Vehicle Technology Program, Chapter 313 (HSC§44272.4(b)(West).

Application demonstrates that the proposed system and feedstock comprise a sustainable approach and reduces GHG emissions compared to the relevant petroleum baseline determined by CARB's Low Carbon Fuel Standard (99.44 gCO₂e/MJ for gasoline, 100.45 gCO₂e/MJ for diesel). Water is also an eligible feedstock. However, landfill gas is not an eligible renewable feedstock.

Eligible renewable electricity sources only include facilities certified through the Renewables Portfolio Standard (RPS) program as outlined in the RPS Eligibility Guidebook, Ninth Edition (Revised)⁷, but excluding landfill gas.⁸ The renewable electricity shall either go directly to the hydrogen production system or be connected via the grid from an in-state RPS-certified generation facility that has its first point of interconnection within the metered boundaries of a California balancing authority area. Renewable Energy Credits must be retired in the Western Renewable Energy Generation Information System (WREGIS) for the production of hydrogen in the proposed system. Further information about WREGIS can be found at: www.wecc.biz/WREGIS.

D. ELIGIBLE PROJECT COSTS

Costs incurred for the following activities are eligible for Energy Commission reimbursement or as the Applicant's match share:

1. Facility pre-engineering and design.
2. Engineering plans and specifications.
3. Building and facility construction, modifications, and/or commissioning.
4. Asset and/or equipment acquisition.
5. Feedstock development activities.
6. Verification of advanced ultra-low-carbon fuel attributes and characteristics, and data collection and modeling.
7. Enhancement of commercial ultra-low-carbon fuel production technology.
8. Facility process efficiency improvements leading to reductions in GHG emissions.
9. Process improvements to accommodate lower carbon intensity feedstock and fuel production.

The Energy Commission will not reimburse for land acquisition or fueling infrastructure, but this may be counted towards match share. See Match Funding Requirements.

Costs of ultra-low-carbon fuel production from ineligible feedstocks are not eligible as reimbursed or match share costs and will not be considered in the scoring and evaluation of a proposed project.

NOTE: Costs incurred for operation of the facility, such as feedstock purchases, cost for transportation of feedstock, cost for transportation of fuel, costs of off-site fueling infrastructure, and vehicle purchases and vehicle-related expenses are ineligible for

7 Renewable Portfolio Standard (RPS) Eligibility Guidebook (Ninth Edition, Revised)

<https://efiling.energy.ca.gov/getdocument.aspx?tn=217317>.

8 California Public Resources Code, Section 25741(a)(1)

https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=25741.&lawCode=PRC.

reimbursement and match share cost. Costs incurred prior to executing an agreement will not be reimbursed by the Energy Commission.

E. MATCH FUNDING REQUIREMENTS

1. Total Match Share Requirement

Applications must include a minimum 50 percent total match share of the total allowable project costs (i.e., the sum of Energy Commission's reimbursable share and Recipient's match share).

"Match funding" or "match share" means cash or in-kind (non-cash) contributions provided by the Applicant/Recipient, subcontractors, or other parties that will be used in performance of the proposed project. Match share percentage is calculated by dividing the total match share contributions by the total allowable project cost. "Total allowable project cost" is the sum of the Energy Commission's reimbursable share and Recipient's match share of the project costs. Match share expenditures have the following requirements:

- a. At a minimum, total match share must conform to the "Cash Match Share Requirement" contained in this solicitation.
- b. All match share expenditures must conform to the terms and conditions of this solicitation and the resulting agreement (see Attachment 9).
- c. Applicants must disclose the source and provide verification and documentation for the match share funding committed to the project. (For any match share committed by a third party (i.e., other than match share committed by the Applicant), Applicants must submit a letter from each match share partner identifying the source(s) and availability of match funding.)
- d. During the term of the agreement, Recipients will be required to document and verify all match share expenditures through invoices submitted to the Energy Commission.
- e. Match share funding may be in the form of cash or in-kind contributions such as donated labor hours, equipment, facilities, and other property.
- f. Match share expenditures must be budgeted to ensure that match share expenditures are incurred concurrently or ahead of Energy Commission reimbursable expenses.
- g. Equipment, facilities, and property may count as match funds as long as the value of the contribution is based on documented market values or book values, prorated for its use in the project, and depreciated or amortized over the term of the project using generally accepted accounting principles (GAAP).
- h. Match share expenditures (cash and/or in-kind) must be documented, reasonable, allowable, and allocable to the project as determined by the

Energy Commission.

- i. Match share expenditures must be made within the approved agreement term. Match expenditures incurred prior to the execution of an agreement are made at the Applicant's own risk. The Energy Commission is not liable for Applicant's match share costs if the grant is not approved, if approval is delayed, or if the match share expenditure is not allowable under the terms and conditions of the grant or this solicitation. Please note that non-match expenditures incurred prior to agreement execution are not reimbursable from Energy Commission funds.
- j. Any match funding pledged in the Full Application Form (Attachment 1B) must be consistent with the amount or dollar value described in the commitment letter(s) (e.g., if \$5,000 "cash in hand" funds are pledged in a commitment letter, Attachment 1B must match this amount). Only the total amount pledged in the commitment letter(s) will be considered as eligible match.

2. **Cash Match Share Requirement**

Applications must include a minimum cash contribution equal to at least 50 percent of Energy Commission funding.

For example, Project A, requesting \$5 million in Energy Commission funding and contributing \$5 million in match funding, must dedicate at least \$2.5 million in cash contributions. On the other hand, Project B, requesting \$5 million in Energy Commission funding and contributing \$10 million in match funding, still need only dedicate at least \$2.5 million in cash contributions.

Cash match means the net of any funds actually expended by the Applicant for the project. Net means after any sort of discount or rebate is applied. Expenditures for Applicant's compensated labor hours, including allowable fringe benefit and overhead rates, travel, materials, supplies, equipment, subcontractor costs, and other miscellaneous expenditures may be claimed as cash match if the expenditures are included in the approved agreement budget, paid in full with funding sources other than grant funds, and supported with appropriate documentation, including proof of payment. For indirect overhead, backup documentation, such as a cost allocation plan based on actual expenditures incurred and paid, is required. Cost allocations must be reasonable and allocable to the proposed project.

3. **In-Kind Match Share**

The balance of the total match share requirement beyond the cash match share requirement (if any) may be met through in-kind match share contributions.

In-kind match share contributions are: 1) non-cash contributions provided by the Applicant; 2) cash or non-cash contributions provided by a subcontractor; and 3) cash or non-cash contributions provided by other third parties. Applicant in-kind match share can be in the form of volunteer labor, real property, existing equipment, existing supplies, services provided by a third-party or subcontract, and other expendable property (property). The value of in-kind match is based on the fair market value of the goods and services provided at the time it is claimed as match. In-kind match share must be included in the approved agreement budget and supported with appropriate

documentation. Cost allocations must be reasonable and allocable to the proposed project.

4. Match Share Restrictions

- a. **Other Sources of GGRF and Energy Commission Funding** – Other sources of GGRF and Energy Commission funding may not be used as match share.
- b. **Property Not Owned by the Applicant** – Donated property may be claimed as match based on the fair market value of renting or leasing the property. Fair market value is based on rental costs of comparable property (if any), market conditions in the area, alternatives available and the type, life expectancy, condition, and value of the property.
- c. **Existing Property Owned by the Recipient** – Applicants may use the property's depreciation expense as a method to allocate the value of the property to the project. Valuation will need to be documented to support the initial acquisition costs as well as the method of depreciation.
- d. **Valuation of Land** – Land cannot be depreciated. If the value of land is claimed as match, the Applicant must provide documentation to support a fair market value for the use of the land (i.e., rent or lease cost) for the time period it is used. Appraised value of land cannot be used since this represents the full value of the land if it is sold which includes value beyond the term of the proposed project.
- e. **Property Owned by a Related Party** – Related parties are individuals or other entities that are able to control or substantially influence the actions of the Applicant and includes spouses, board members, family members of principals or employees of the Applicant as well as property owned by principals/employees of the Applicant. Because agreements between related parties are “less than arms-length” transactions, applicants must disclose to the Energy Commission the relationship and be able to support the fair market value of property that is claimed as match.
If Energy Commission funds are used to reimburse lease/rental payments for property owned by a related party, the Applicant can only claim the lessor of fair market value or actual lease payments, regardless of lease agreement terms.
- f. **Prorated Value of Property** – The allowable claimed value of property must be prorated based on the percentage the property is used for the proposed project. For example, if only half of a building is being used for the proposed project, then only 50% of the monthly fair market value of the entire building can be claimed as match while the building is being used for the project.
- g. **Documentation** – If selected for an award under this agreement, all claimed match share expenditures must be adequately documented to the Energy Commission during the agreement invoicing process which may include, but is not limited to: the fair market value of existing property, methodology to allocate existing property on a prorated basis, lease agreements, and other appropriate documentation.

F. UNALLOWABLE COSTS (REIMBURSABLE OR MATCH SHARE)

For an item of cost to be allowable, it must be included in the approved agreement budget and allowable per the terms and conditions of the resulting agreement. The following are examples of unallowable costs under an agreement resulting from this solicitation. This list is not comprehensive and additional items of cost may be unallowable in accordance with the terms and conditions.

1. ***Forgone Profit*** – For example, if a company usually charges 10% profit but only charges 4% to the Energy Commission. The unclaimed difference is not an allowable item of cost.
2. ***Forgone Rent*** – For example, rents that are not paid is not an allowable item of reimbursable cost.
3. ***Discounted or Refunded Equipment Costs*** – For example, a claim that equipment costs \$10,000 but recipient only pays \$6,000 due to some “special” discount. The difference of \$4,000 is not an allowable match share expense. Another example is if the recipient actually pays \$10,000 but the vendor refunds \$4,000 – only the net \$6,000 is an allowable item of cost.
4. ***Foregone Salary, Fringe, Indirect or Other Types of Cost*** – For example, a person normally charges or is paid \$100 per hour, but will only charge \$50 per hour towards the Energy Commission award. Only actual costs incurred and paid to the employee are allowable. Therefore, if an employee is actually paid \$100 per hour and the Energy Commission only reimburses at \$40 per hour, then the unreimbursed \$60 per hour is an allowable match share cost because this is an actual payment as opposed to a foregone salary amount. Volunteer labor (i.e., labor from a person who does not receive any compensation for their labor) may be an allowable in-kind match share expense if the value of the labor is reasonable and justified.

G. APPLICANT PERFORMANCE

An Applicant’s performance, if any, under an existing or prior Energy Commission agreement will be considered as part of an Applicant’s score in the Project Team Qualifications criterion.

Furthermore, in addition to all rights afforded the Energy Commission under the terms and conditions of any existing or prior agreements between the Energy Commission and Applicant or any other rights afforded the Energy Commission by law, the Energy Commission reserves the right to cancel an agreement awarded under this solicitation due to poor performance by Applicant under an existing Energy Commission agreement.

H. PROJECT TRACKING, METRICS, AND REPORTING

The recipient must track and document detailed project-level information as it relates to fuel production volumes, feedstock usage, GHG emission reductions, and co-benefits throughout the project term. The format in which this information is to be tracked and reported will be developed with the CAM. This information is to be retained for three years following project completion.

Recipients of GGRF funds must submit reports on expenditures, investment benefits, and project outcomes, per CARB guidance. Recipient shall provide a quarterly report on all projects during the term of its agreement with the Energy Commission and for a period specified by CARB to meet project outcome reporting requirements. These requirements will be specified in the solicitation and could exceed the Energy Commission's grant term.

Reporting shall follow the format provided by the Energy Commission, consistent with the project-type specific reporting requirements in CARB guidance.

Information to be reported includes, but is not limited to:

- Recipient name.
- Project description.
- Project location.
- Census tract.
- Dates: project selected and completed.
- GGRF dollars implemented.
- Leveraged and/or match funds.
- Estimated/actual total project GHG emission reductions.
- Number of jobs supported.
- Benefits to priority populations.
- Other benefits or results.

I. AGREEMENT AND SUBCONTRACT EXECUTION

An Applicant to this solicitation that receives an award to develop an advanced ultra-low-carbon fuel production facility shall commit to executing its grant agreement with the Energy Commission within 60 days after approval of the award at an Energy Commission business meeting. Additionally, projects recommended for funding must execute all subcontracts (e.g., feedstock, technology, off-take agreements, match funds) within 90 days of the executed agreement with the Energy Commission. The Energy Commission reserves the right to cancel proposed awards that do not meet the agreement execution deadline, and without limitation of any other rights may cancel an awarded agreement for failure to meet the subcontract execution deadline.

J. CEQA COMPLIANCE TIMELINES

1. ***Time is of the Essence.*** Funds available under this solicitation have encumbrance deadlines as early as **6/30/2020**. Prior to approval of a proposed award, the Energy Commission must comply with the California Environmental Quality Act (CEQA), and other applicable environmental review requirements. In general, the Energy Commission is required to make its own independent CEQA determination and the level of review required by CEQA depends on the facts of the specific project.

To comply with CEQA, the Commission must have CEQA-related information from applicants and sometimes other entities, such as local governments, in a timely manner. Applicants recommended for funding in the NOPA must submit pertinent information well in advance of 6/30/2020 or risk having their projects not funded. Unfortunately, even with this information, the

Commission may not be able to complete its CEQA review prior to the encumbrance deadline for every project. If, for example, a project requires an Environmental Impact Report, the process to complete it can take many months. For these reasons, it is critical that applicants organize project proposals in a manner that minimizes the time required for the Commission to comply with CEQA, and other applicable environmental review requirements, and provide all related information to the Commission in a timely manner such that the Commission is able to complete its review in time for it to meet its encumbrance deadline. If another agency has already made a CEQA determination as the lead agency, that may expedite the Energy Commission's review. For this reason, in the proposal package, it may be helpful for applicants to include already received permits and associated CEQA determinations from other agencies (e.g., a local agency where the project will take place). Otherwise, to maintain the schedule for a grant agreement to be approved at the business meeting, it is recommended that applicants submit all CEQA documentation including a CEQA determination already made by a lead agency to the Energy Commission as soon as possible and **no later than 30 calendar days after the NOPA is posted**. Earlier is better.

Applicants recommended for funding in the NOPA can improve the chance that the Commission will approve their projects by submitting their proposed projects to the local or other appropriate agency with jurisdiction over the project and obtaining a CEQA determination from that lead agency in advance of the Commission's review.

2. ***Reservation of Right to Cancel Proposed Award.*** In addition to any other right reserved to it under this solicitation or that it otherwise has, if the Energy Commission determines, in its sole and absolute discretion, that the CEQA or other environmental review associated with a proposed project would not likely be completed prior to the encumbrance deadline referenced above, and that the Commission's ability to meet its encumbrance deadline may thereby be jeopardized, the Energy Commission may cancel a proposed award and award funds to the next highest scoring Applicant, regardless of the originally proposed Applicant's diligence in submitting information and materials for CEQA or other environmental review. Examples of situations that may arise related to environmental review include but are not limited to:

- Example 1: If another state agency or local jurisdiction, such as a city or county, has taken the role of lead agency under CEQA, the Energy Commission's review may be delayed while waiting for a determination from the lead agency.
- Example 2: If the proposed work is part of a larger project for which a detailed environmental analysis has been or will be prepared by another state agency or local jurisdiction, the Energy Commission's review may be delayed as a result of waiting for a supplemental or initial analysis, respectively, from the other agency.

- Example 3: If the nature of the proposed work is such that a project is not categorically or otherwise exempt from the requirements of CEQA, and an initial study or other detailed environmental analysis appears to be necessary, the Energy Commission's review, or the lead agency's review, may take longer than the time available to encumber the funds. If an initial study or environmental impact report has already been completed by another state agency or a local jurisdiction, serving as the lead agency, the Applicant must ensure that such an analysis covers the work in the proposed project, or must obtain a revised analysis and determination from the lead agency reviewing the proposed project.
- Example 4: If the proposed project clearly falls under a statutory or categorical exemption, or is project for which another state agency or local jurisdiction has already adopted a CEQA finding that the project will cause no significant effect on the environment, the project will likely have greater success in attaining rapid completion of CEQA requirements.

The above examples are not exhaustive of instances in which the Energy Commission may or may not be able to comply with CEQA or other environmental review requirements within the encumbrance deadline, and are only provided as further clarification for potential applicants. Please plan project proposals accordingly.

III. Two-Phase Evaluation Process

This solicitation will follow a two-phase process.

A. PRE-APPLICATION ABSTRACT SCREENING AND TECHNICAL EVALUATION:

This phase consists of a Pre-Application Abstract Form (Attachment 1A) and a project abstract (limited to 3 pages) that will be screened using the Pre-Application Administrative Screening Criteria listed in Section V.A. Pre-Application Abstracts that pass the Pre-Application screening will be scored using the Pre-Application Abstract Evaluation Criteria in Section V.E. of this solicitation. Please see Section IV for information on Pre-Application Abstract format, required documents, and delivery methods.

B. FULL APPLICATION SCREENING AND EVALUATION:

Passing Pre-Application Abstracts receiving a passing score will be eligible to submit a Full Application. Full Applications will be screened using the Full Application Administrative Screening Criteria listed in Section VII.A. Applications that pass screening will be scored using the Full Application Evaluation Criteria in Section VII.D. Please see Section VI for information on Full Application format, required documents, and delivery methods. **Full Applications must be consistent with previously submitted and passing Pre-Application Abstract.**

IV. Pre-Application Abstract Format, Required Documents, and Delivery

An Applicant must submit a Pre-Application Abstract to the Energy Commission before being approved to submit a Full Application. ***Submission of Pre-Application Abstracts is mandatory.*** Pre-Application Abstracts will be screened and scored based on the Pre-Application evaluation criteria in Section V.E. Pre-Application Abstracts receiving a passing score will be eligible to submit a Full Application. The results of the Pre-Application Abstract review will be provided to all applicants.

Applicants must submit a Pre-Application Abstract Form (Attachment 1A) and a separate abstract for each project by the date specified in the Key Activities and Dates table in Section I.E. of this solicitation.

A. REQUIRED FORMAT FOR A PRE-APPLICATION ABSTRACT

This section contains the format requirements and instructions on how to submit a Pre-Application Abstract. The format is prescribed to assist the Applicant in meeting State requirements and to enable the Energy Commission to evaluate each Pre-Application Abstract uniformly and fairly. Applicants must follow all Pre-Application Abstract format instructions, answer all questions, and supply all requested data.

All Pre-Application Abstracts submitted under this solicitation must be typed or printed using a standard 11-point font, single-spaced and a blank line between paragraphs. Pages must be numbered and sections titled and printed back-to-back.

B. METHODS FOR DELIVERY

1. Electronic Submission through the Grant Solicitation System

The preferred method of delivery for this solicitation is the Energy Commission's Grant Solicitation System, available at: <https://gss.energy.ca.gov/>. This online tool allows applicants to submit their electronic documents to the Energy Commission prior to the date and time specified in this solicitation. Electronic files must be in Microsoft Word, (.doc or .docx) and Excel (.xls or .xlsx) Office Suite formats unless originally provided in the solicitation in another format.

Attachments requiring signatures may be scanned and submitted in Adobe Acrobat (.pdf) format. Please submit the Pre-Application Form (Attachment 1A) and Full Application Form (Attachment 1B) in both Microsoft Word and Adobe Acrobat formats. The system will not allow applications to be submitted after the due date and time.

First time users must register as a new user to access the system. Applicants will receive a confirmation email after all required documents have been successfully uploaded. A tutorial of the system will be provided at the Pre-Application workshops and you may contact the Commission Agreement Officer identified in Section I.L. of the solicitation for more assistance.

2. Hard Copy Submittals

- a. **Delivery:** Although not preferred, an Applicant may deliver a hard copy of a Pre-Application Abstract by:

- U.S. Mail
- In Person
- Courier service

Pre-Application Abstracts submitted in hard copy must be delivered to the Energy Commission Contracts, Grants and Loans Office during normal business hours and prior to the date and time specified in this solicitation. Pre-Application Abstracts received after the specified date and time are considered late and will not be accepted. There are no exceptions. Postmark dates of mailing, E-mail and facsimile (FAX) transmissions are not acceptable in whole or in part, under any circumstances.

There is no need to submit a hard copy of a Pre-Application Abstract that is submitted through the Grant Solicitation System.

- b. **Number of Copies for Hard Copy Submittals:** If applicants choose to submit a hard copy, applicants need to submit only an original Pre-Application Abstract. No additional hard copies of the Pre-Application Abstract are needed.
- c. **Electronic Copies:** Applicants must also submit electronic files of the Application on CD-ROM or USB memory stick along with the hard copy submittal. Only one CD-ROM or USB memory stick is needed. Electronic files must be in Microsoft Word . Electronic files submitted via e-mail will not be accepted.
- d. **Packaging and Labeling for Hard Copy Submittals:** The original Pre-Application Abstract must be labeled "Grant Funding Opportunity GFO-19-601," and include the title of the Pre-Application Abstract. The Pre-Application Abstract should be bound only with a paper clip. Deliver your Pre-Application Abstract in a sealed package and label as follows:

Person's Name,
Phone #
Applicant's Name
Street Address
City, State, Zip Code
FAX #

California Energy Commission
Contracts, Grants & Loans Office
Attn: GFO-19-601
1516 Ninth Street, MS-18
Sacramento, California 95814

C. PAGE LIMITATIONS

Each Pre-Application Abstract is limited to 3 pages. The Pre-Application Abstract Form does not count towards this page limitation.

D. PRE-APPLICATION ABSTRACT ORGANIZATION / REQUIRED DOCUMENTS

Item	Attachment Number (if applicable)
Pre-Application Abstract Form	Attachment 1A
Pre-Application Abstract	N/A

1. Pre-Application Abstract Form

Applicants must include a completed Pre-Application Abstract Form shown in Attachment 1A.

All applicants must authorize the Energy Commission to make any inquiries necessary to verify the information presented in the Application.

All applicants must certify under penalty of perjury under the laws of the State of California that:

- No confidential information will be submitted in the Pre-Application Abstract phase.
- All information in the Application is correct and complete to the best of the Applicant's knowledge.
- The Applicant has read and understands the terms and conditions and will accept them without negotiation if awarded.
- The Applicant has received any required licenses (such as copyrights or trademarks) applicable to the submitted Pre-Application Abstract.
- The person electronically submitting the Pre-Application Abstract through the Grant Solicitation System is an authorized representative of the Applicant. For applicants providing a hard copy submittal, the person signing the Pre-Application Abstract is an authorized representative of the Applicant.

For applicants using the electronic submission through the Grant Solicitation System, checking the "I Agree" box and clicking the "I Agree & Submit" button provides the required authorizations and certifications.

For applicants submitting hard copy applications, Attachment 1A must be submitted and signed by an authorized representative of the Applicant.

2. Pre-Application Abstract

The Pre-Application Abstract is limited to a maximum of 3 pages. Applicants should address each of the Pre-Application Abstract screening and scoring criteria and provide sufficient, unambiguous detail so that the evaluation committee will be able to evaluate the abstract against each scoring criterion. Abstracts must respond directly to each criterion, titled with the appropriate section heading.

Additionally, Pre-Application Abstracts should include the following information:

a. **Project Summary**

1. Summarize the project's purpose and scope, quantitative and measurable objectives to be achieved, and volume of new annual production capacity.
2. Describe the technology employed to achieve objectives. The relevant graphical abstract could help to explain the process and the technology.
3. Describe the project's target market and economic viability.
4. Identify existing installation(s) of proposed technology(ies) or cite references that support the viability of the technology proposed.
5. List the project partners and subcontractors.
6. Identify prior Energy Commission awards received and provide the status of those awarded projects.

b. **Project Readiness and Implementation Schedule**

1. Include a schedule to complete CEQA activities for the proposed project, and the results of current discussions with the Lead Agency.
2. Include a schedule to complete permitting activities for the proposed project.
3. Provide the following information:
 - a. Volume of fuel committed to off-take agreements and customers.
 - b. Volume of feedstock dedicated to project.
 - c. Control of site and/or equipment.
 - d. Match funding commitments.

c. **Project Benefits and Cost Effectiveness**

1. Summarize the project's GHG reductions using the Benefits Calculator.
2. Describe the project's benefits to priority populations including job creation and other co-benefits using the Benefits Calculator and Jobs Creation and Tracking Tool.

V. Pre-Application Abstract Evaluation Process and Criteria

A. PRE-APPLICATION ABSTRACT EVALUATION

This section explains how Pre-Application Abstracts will be evaluated.

Pre-Application Abstracts will be evaluated and scored based on the responses to the information requested in this solicitation. Pre-Application Abstracts will first be screened for compliance with the Administrative and Technical Screening Criteria listed below. Each Pre-Application Abstract will then be evaluated and scored. The scores will be published as a Notice of Pre-Application Results (NOPAR).

The Application evaluation process from receipt of applications to posting of the Notice of Proposed Award (NOPA) is confidential. All submitted documents will become publicly available records after the NOPA is posted or if the solicitation is cancelled.

To evaluate all Pre-Application Abstracts, the Energy Commission will organize an Evaluation Committee. The Evaluation Committee may consist of Energy Commission staff or staff of other California state entities. Only passing Pre-Application Abstracts are eligible to submit a Full Application.

1. Screening Criteria

The Contracts, Grants and Loans Office will screen Pre-Application Abstracts for compliance with the Administrative Screening Criteria. The Evaluation Committee will screen Pre-Application Abstracts for compliance with the Technical Screening criteria. Pre-Application Abstracts that fail any of the Administrative or Technical Screening Criteria shall be disqualified and eliminated from further evaluation.

2. Pre-Application Abstract Administrative Screening Criteria

PRE-APPLICATION ABSTRACT ADMINISTRATIVE SCREENING CRITERIA <i>The Pre-Application Abstract must pass ALL administrative screening criteria.</i>	Pass/Fail
<ul style="list-style-type: none">The Pre-Application Abstract is received by the Energy Commission's Contracts, Grants, and Loans Office by the due date and time specified in the "Key Activities Schedule" in Section I of this solicitation.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
<ul style="list-style-type: none">The Applicant provides the required signatures, authorizations, and certifications.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
<ul style="list-style-type: none">The Applicant has not included a statement that is contrary to the required authorizations and certifications.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail

3. Pre-Application Abstract Technical Screening Criteria

PRE-APPLICATION ABSTRACT TECHNICAL SCREENING CRITERIA	Pass/Fail
<i>The Pre-Application Abstract must pass ALL technical screening criteria.</i>	
1. Applicant is eligible to apply under this solicitation.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
2. Proposed project is eligible in accordance with this solicitation.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
3. Proposed project meets the minimum match share requirement of 50%.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
4. Applicant has provided a Pre-Application Abstract Form and a Pre-Application Abstract.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail

4. Grounds to Reject an Application

In addition to the Screening Criteria identified within this solicitation, the Energy Commission reserves the right to reject an application and/or cancel an award if at any time during the Application or agreement process the following circumstances are discovered:

- a. The Pre-Application Abstract contains false or intentionally misleading statements or references which do not support an attribute or condition contended by the Applicant.
- b. The Pre-Application Abstract is intended to erroneously and fallaciously mislead the State in its evaluation of the Application and the attribute, condition, or capability is a requirement of this solicitation.
- c. The Pre-Application Abstract does not literally comply or contains caveats that conflict with the solicitation and the variation or deviation is material or it is otherwise non-responsive.

5. Technical Evaluation

Pre-Application Abstracts that pass all Pre-Application Abstract screening criteria will be submitted to the Evaluation Committee to review and score based on the Pre-Application Abstract Scoring Criteria in this solicitation.

The Evaluation Committee will consist of Energy Commission staff. The Evaluation Committee reserves the right to schedule a clarification interview with an Applicant that will either be held by telephone or in person at the Energy Commission for the purpose of clarification and verification of information provided in the Pre-Application Abstract. However, these interviews may not be used to change or add to the contents of the original Pre-Application Abstract. Applicants will not be reimbursed for time spent answering clarifying questions.

The total score for each Pre-Application Abstract will be the average of the combined scores of all Evaluation Committee members. A minimum score of 70 percent is required for each scoring criterion in the Pre-Application Abstract for the Applicant to be eligible to submit a Full Application.

B. NOTICE OF PRE-APPLICATION ABSTRACT RESULTS

Upon completion of Pre-Application Abstract scoring, a Notice of Pre-Application Abstract Results (NOPAR) will be posted at the Energy Commission's headquarters in Sacramento, posted on the Energy Commission's website, and mailed to all parties that submitted a Pre-Application Abstract.

C. PRE-APPLICATION ABSTRACT DEBRIEFINGS

After posting the NOPAR, Pre-Application Abstracts failing the Pre-Application screening or failing to achieve a passing score may request a debriefing from the Evaluation Committee. Pre-Application Abstract debriefings must be requested within 15 days after posting of the NOPAR.

D. SCORING SCALE

Using this Scoring Scale, the Evaluation Committee will give a score for each criterion described in the Evaluation Criteria.

% of Possible Points	Interpretation	Explanation for Percentage Points
0%	Not Responsive	Response does not include or fails to address the requirements being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
10-30%	Minimally Responsive	Response minimally addresses the requirements being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
40-60%	Inadequate	Response addresses the requirements being scored, but there are one or more omissions, flaws, or defects or the requirements are addressed in such a limited way that it results in a low degree of confidence in the proposed solution.
70%	Adequate	Response adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
75%	Between Adequate and Good	Response better than adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
80%	Good	Response fully addresses the requirements being scored with a good degree of confidence in the Applicant's response or proposed solution. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.
85%	Between Good and Excellent	Response fully addresses the requirements being scored with a better than good degree of confidence in the Applicant's response or proposed solution. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.

90%	Excellent	Response fully addresses the requirements being scored with a high degree of confidence in the Applicant's response or proposed solution. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations.
95%	Between Excellent and Exceptional	Response fully addresses the requirements being scored with a better than excellent degree of confidence in the Applicant's response or proposed solution. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations.
100%	Exceptional	All requirements are addressed with the highest degree of confidence in the Applicant's response or proposed solution. The response exceeds the requirements in providing multiple enhancing features, a creative approach, or an exceptional solution.

E. PRE-APPLICATION ABSTRACT EVALUATION CRITERIA

Pre-Application Abstracts that pass screening will be scored based on the following scoring criteria. Pre-Application Abstracts should include adequate information in the Pre-Application Abstract Form and in the written Pre-Application Abstract to address all screening and scoring criteria.

The total score for each Pre-Application Abstract will be the average of the combined score of all Evaluation Committee members. Only Pre-Application Abstracts with a score of 70 percent or higher on **each** Pre-Application Abstract Evaluation Criterion will be eligible to submit a Full Application.

Pre-Application Abstract Evaluation Criteria		Maximum Possible Points
1.	<p>Project Summary – Pre-Application Abstracts will be evaluated on the degree to which...</p> <ul style="list-style-type: none"> a. The project's purpose and scope can achieve the Applicant's quantitative and measurable objectives, including proposed volume of annual production capacity. b. The project's proposed technology(ies) are viable and contribute to the project's purpose and scope. c. The project partners and subcontractors are suitable to the proposed project's purpose and scope. d. The Applicant demonstrates how the proposed project will successfully compete in the California marketplace. <p>NOTE: Pre-Application Abstracts must obtain a minimum passing score of 14 points within this evaluation criterion to be eligible to submit a Full Application.</p>	20

<p>2. Project Readiness and Implementation Schedule – Pre-Application Abstracts will be evaluated on the degree to which...</p> <p>a. The project has succeeded in obtaining compliance under the California Environmental Quality Act (CEQA) or Applicant has provided a schedule for obtaining CEQA compliance and the schedule is feasible within the timeframes specified in this solicitation.</p> <p>b. The required permitting for the proposed project has been completed or Applicant has provided a schedule for obtaining required permitting and schedule is feasible within the timeframes specified in this solicitation.</p> <p>c. Fuel off-take agreements and customers are identified and committed; feedstock sources are identified and committed to the project.</p> <p>d. Site control has been secured.</p> <p>e. Match funding commitments are secured.</p> <p>NOTE: Pre-Application Abstracts must obtain a minimum passing score of 14 points within this evaluation criterion to be eligible to submit a Full Application.</p>	20	
<p>3. Project Benefits and Cost Effectiveness – Pre-Application Abstracts will be evaluated on the degree to which...</p> <p>a. The proposed project results in GHG reductions summarized by the LCFPP Benefits Calculator Tool.</p> <p>b. The proposed project results in co-benefits according to the LCFPP Benefits Calculator Tool.</p> <p>c. The proposed project benefits accrue to the Priority Populations.</p> <p>NOTE: Pre-Application Abstracts must obtain a minimum passing score of 14 points within this evaluation criterion to be eligible to submit a Full Application.</p>	20	
Total Possible Points		60

VI. Full Application Format, Required Documents, and Delivery

A. REQUIRED FORMAT FOR A FULL APPLICATION

This section contains the format requirements and instructions on how to submit a Full Application. The format is prescribed to assist the Applicant in meeting State requirements and to enable the Energy Commission to evaluate each Full Application uniformly and fairly. Applicants must follow all Full Application format instructions, answer all questions, and supply all requested data. Only those projects that received a Pre-Application Abstract passing score are eligible to submit a Full Application. All Full Applications submitted under this solicitation must be typed or printed using a standard 11-point font, single-spaced and a blank line between paragraphs. Pages must be numbered and sections titled and printed back-to-back.

B. METHODS FOR DELIVERY

1. Electronic Submission through the Grant Solicitation System

The preferred method of delivery for this solicitation is the Energy Commission's Grant Solicitation System, available at: <https://gss.energy.ca.gov/>. This online tool allows applicants to submit their electronic documents to the Energy Commission prior to the date and time specified in this solicitation. Electronic files must be in Microsoft Word and Excel Office Suite formats unless originally provided in the solicitation in another format. Attachments requiring signatures may be scanned and submitted in PDF format. Applicants must also submit the Full Application Form (Attachment 1B) in both Word and PDF versions. Completed Budget Forms, Attachment 5, must be in Excel format. The system will not allow Full Applications to be submitted after the due date and time.

First time users must register as a new user to access the system. Applicants will receive a confirmation email after all required documents have been successfully uploaded. A tutorial of the system will be provided at the Pre-Application workshops and you may contact the Commission Agreement Officer identified in the Questions section of the solicitation for more assistance.

2. Hard Copy Submittals

a. **Delivery:** Although not preferred, an Applicant may deliver a hard copy of a Full Application by:

- U.S. Mail
- In Person
- Courier service

Full Applications submitted in hard copy must be delivered to the Energy Commission Contracts, Grants and Loans Office during normal business hours and prior to the date and time specified in this solicitation. Full Applications received after the specified date and time are considered late and will not be accepted. There are no exceptions. Postmark dates of mailing, E-mail and facsimile (FAX) transmissions are not acceptable in

whole or in part, under any circumstances.

There is no need to submit a hard copy of a Full Application that is submitted through the Grant Solicitation System.

- b. ***Number of Copies for Hard Copy Submittals:*** Applicants need to submit only an original Full Application. No additional hard copies of the Full Application are needed.
- c. ***Electronic Copies:*** Applicants must also submit electronic files of the Full Application on ***CD-ROM or USB memory stick*** along with the hard copy submittal. Only one CD-ROM or USB memory stick is needed. Electronic files must be in Microsoft Word (.doc format) and Excel Office Suite formats. Completed Budget Forms, Attachment 5, must be in Excel format.
- d. ***Packaging and Labeling for Hard Copy Submittals:*** The original Application must be labeled "Grant Funding Opportunity GFO-19-601," and include the title of the Application. The Application should be bound only with a binder clip.

Deliver your Full Application in a sealed package and label as follows:

Person's Name,
Phone #
Applicant's Name
Street Address
City, State, Zip Code
FAX #

California Energy Commission
Contracts, Grants & Loans Office
Attn: GFO-19-601
1516 Ninth Street, MS-18
Sacramento, California 95814

C. PAGE LIMITATIONS

The number of pages for each Full Application is limited to 30 pages. Application forms, table of contents, executive summaries, resumes, scope of work, schedule of products and due dates, budget forms, contact list, letters of support/commitment, CEQA worksheet, and Localized Health Impacts Information forms do not count towards this page limitation.

D. CONFIDENTIAL INFORMATION

Sections of the Business Plan (see Full Application Evaluation Criterion 2) specified as follows may be provided as confidential information if submitted as a separated, clearly-labeled volume of the Application.

Specifically, corporate financial records, technology trade secrets, and price components of feedstock purchase agreements and off-take agreements provided to meet the

requirements of this section may be submitted to the Energy Commission as confidential information as part of a clearly-labeled, separated volume of the Full Application. Corporate financial records include: balance sheets and cash flow statements, and 5-year pro forma statements.

A technology trade secret is defined as a formula, practice, process, design, instrument, pattern, commercial method, or compilation of information which is not generally known or reasonably ascertainable by others, and by which a business can obtain an economic advantage over competitors or customers.

Price components, such as the price received for goods sold or feedstock purchase agreements and off-take agreements, will be kept confidential. Applicants should submit two copies of such agreements: one with price information redacted that is included in the non-confidential portion of the Full Application, and another with price information shown that is included in the separate section of confidential documents.

NOTE: Award recipients will be required to adhere to all invoice requirements including sufficient and appropriate documentation to substantiate both reimbursable and match share expenditures. All invoice documentation will become public records, including the identity of the subcontractor or supplier and the prices of eligible expenses.

The specified technology, marketing, and financial information requested from Applicants will be kept confidential by the Energy Commission, pursuant to California Government Code sections 6254(k) and 6254.15 unless the Energy Commission is ordered to release it by a court or other entity with jurisdiction over the issue or the information otherwise becomes public.

The specified technology, marketing, and financial information described above will be kept confidential from receipt to seven (7) years following the posting of the NOPA, after which time the records will become public.

Information provided by Applicants, other than the specified technology, marketing, and financial information listed above is only confidential until the release of the NOPA. The Energy Commission does not warrant that information, other than the specific information described above, will be kept confidential following the posting of the NOPA. Applicants should not submit materials that are marked or otherwise delineated as confidential, except for the technical, financial and marketing information specified herein. Any such materials will be returned to the Applicant and not considered.

Information clearly marked and meeting the confidentiality provisions of the solicitation will not count towards the 30-page limit of the Full Application.

E. FULL APPLICATION ORGANIZATION

Item	Attachment Number (if applicable)
Full Application Form	Attachment 1B
Table of Contents	N/A
Executive Summary	N/A
Project Narrative	N/A
Scope of Work	Attachment 2. See also SOW Instructions in Attachment 3.

Schedule of Products and Due Dates	Attachment 4
Project Team	N/A
Previous Work Products (Optional)	N/A
Budget Forms	Attachment 5
Contact List	Attachment 6
Letters of Support/Commitment	N/A
CEQA Worksheet	Attachment 7
Photographic Evidence	N/A
Localized Health Impacts Information Form	Attachment 8
LCFPP Benefits Calculator Tool (<u>Version 1.1</u>)	www.arb.ca.gov/cqi-quantification Project Type "Low Carbon Fuels Production"
Confidential Volume (if applicable, see Section VI.D)	N/A
Community Engagement Questionnaire	Attachment 10
Evaluation Criteria for Providing Benefits To Priority Populations-Clean Transportation and Equipment	Attachment 11

1. **Full Application Form**

Applicants must include a completed Full Application Form shown in Attachment 1B.

All applicants must authorize the Energy Commission to make any inquiries necessary to verify the information presented in the Full Application. Further, all applicants must authorize the Energy Commission to obtain a credit report on the Applicant's organization.

All applicants must certify under penalty of perjury under the laws of the State of California that:

- All confidential information submitted (allowed under the solicitation) has been properly identified.

NOTE: The Energy Commission reserves the right to determine whether confidential information submitted adheres to the confidentiality requirements contained in the solicitation and state law, including Energy Commission regulations. Applicants purposely or erroneously designating information as confidential beyond what is allowable in accordance with the solicitation and state law may lead to rejection and disqualification of the Application.

- All information in the Full Application is correct and complete to the best of the Applicant's knowledge.
- The Applicant has read and understands the terms and conditions and will accept them without negotiation if awarded.

- The Applicant has received any required licenses (such as copyrights or trademarks) applicable to the submitted Application.
- The person electronically submitting the Full Application through the Grant Solicitation System is an authorized representative of the Applicant. For applicants providing a hard copy submittal, the person signing the Full Application is an authorized representative of the Applicant.

For applicants using the electronic submission through the Grant Solicitation System, checking the “I Agree” box and clicking the “I Agree & Submit” button provides the required authorizations and certifications.

For applicants submitting hard copy applications, Attachment 1B must be submitted and signed by an authorized representative of the Applicant.

2. **Table of Contents**

Each Full Application must include a table of contents that allows for easy navigation and location of relevant information. This will not count towards the page limitation.

3. **Executive Summary**

Each Full Application must contain an Executive Summary that, at a minimum, includes: a project description, project goals, and quantitative and measurable objectives to be achieved. The maximum length of the Executive Summary is two (2) pages. This will not count towards the page limitation.

4. **Project Narrative**

The Project Narrative is limited to a maximum of 30 pages. The Project Narrative must include a detailed description of the proposed project, its operational goals and objectives, and an explanation of how these will be implemented through the tasks described in the Scope of Work.

Applicants should address each of the Full Application evaluation criteria described in Section VII.D by providing sufficient, unambiguous detail so that the evaluation committee will be able to evaluate the Full Application against each evaluation criterion. Full Applications must respond directly to each criterion, with the headings as titled below, and include the following information:

a. **Project Team Qualifications**

Describe how the project team’s qualifications (including relevant expertise, experience, and skill sets) are suitable to the tasks described in the proposed Scope of Work.

- i. Describe demonstrated ability to meet deadlines and milestones of current or past ultra-low-carbon fuels projects: identify project, size of project, location, schedule, completed deadlines and milestones, and verification contacts.

- ii. Describe verifiable ultra-low-carbon fuels production related experience, identifying project size, location, and completed deadlines.
- iii. Explain and demonstrate how project team members', key project partners', Engineering, Procurement, and Construction contractor's (EPC), and technology provider's qualifications, skills, abilities, and relevant technical and business experience align with the needs of the project and with the successful completion of the proposed project.
- iv. If Applicant has received an award(s) from a previous Energy Commission solicitation, Applicant must describe how the requirements of the agreement(s) have been fulfilled/are being fulfilled.

b. **Business Plan**

i. ***Technology Plan.***

- a) Describe the technology in sufficient detail to explain how it works and its technical feasibility. Graphical or flow diagrams may be used to illustrate the technology and process. Performance test data for the technology being used should be provided to support feasibility claims.
- b) Describe the proposed project's technology readiness for commercial scale production. Provide verification contacts if applicable. Describe how the proposed technology is adequate to achieve the goals and objectives of the proposed project.
- c) Describe how proposed technologies and processes contribute to the facility's / project's ability to compete in the commercial California marketplace and increase the in-state production of ultra-low-carbon fuels. Provide assumptions and sources of relevant data.
- d) Identify and document the role of technology partners, including the legal or contractual relationship and obligations between partners.
- e) Discuss the replicability of the proposed technology and/or the long-range scale-up plans to expand capacity, if applicable.
- f) Discuss how the proposed technology is a transformative approach to tackling a critical technology issue or market barrier, if applicable.

ii. **Marketing Plan.**

- a) Identify credible target markets, populations, market drivers, and anticipated market growth.
- b) Identify and adequately address identified market barriers and existing or potential competition.
- c) Describe and document the role of strategic marketing partners, customers, and other partners in ensuring project success, including fuel and co-product off-take agreements.

iii. **Financial Plan.**

- a) Demonstrate economic viability of the proposed project by providing the following financial documentation (with assumptions listed) over the duration of the proposed project.
 - I. Provide balance sheet and cashflow statement for Applicant's firm for the past three (3) years, as available. Years should include 2017, 2018, and 2019, if applicable. Documents are preferred to audited and certified by Certified Public Accountant (CPA). If audited financial statements for 2017, 2018, and 2019 are not available by submission date, then financial statements certified by a CPA are acceptable. If certified financial statements for 2017, 2018, and 2019 are not available by submission date, then non-certified financial statements are acceptable. Note that non-certified financial statements will receive a lower score versus audited and certified financial statements.
 - II. Provide a five (5) year pro forma statement for Applicant's firm, including projected balance sheet, income statement, cashflow statement, and debt service schedule for existing and planned long-term debt, if any. List assumptions, including but not limited to, market supply and demand conditions of the industry, market fluctuations, and monthly or quarterly fixed cost and variable costs. If the proposed project is awarded, this five (5) year pro forma statement may be used to validate the project's financial economic status during the agreement.
 - III. Provide the Applicant's sources of funding for the project, such as grants, loans and equity contributions, and types, terms, and conditions of

match agreements. Project funding should be described by both financial resources and percentage of total equity. Provide contact information for each match source.

- b) Identify the financial risks to the proposed project and describe the methods the Applicant will use to effectively manage and mitigate those risks. At a minimum, Applicant should address risks associated with construction, cost overruns, operation, maintenance, technology, regulations, and economic conditions.
- c) Discuss variable feedstock cost and quality, and how the Applicant will ensure a sustainable feedstock supply, including procurement agreements, contracts, and supply chain logistics.
- d) Demonstrate the economic viability of the long-term commercialization plan following project completion.
- e) Identify and demonstrate how co-products or other revenue streams contribute to the business plan. Discuss assumptions about expected income from all revenue sources. Discuss how much project viability depends on co-product / tipping fee revenues.
- f) Discuss estimated value and planned use of any potential LCFS, Renewable Fuel Standard Program (RFS2), and/or cap and trade credits. Discuss how the estimated value and planned use of any potential LCFS, RFS2, and/or cap and trade credits impact the long-term economic viability of the proposed project
- g) List any pending or filed litigation in which Applicant is a party, and explain the extent of Applicant's liability coverage, if any. Please list only litigation that pertains to or impacts the project's execution. Explain how the pending or filed litigation affects the Applicant's ability to complete the project.

c. **Project Readiness and Implementation**

- i. **Overall Readiness/Permitting.** Full Applications must include information about the permitting required for the project and whether or not the permitting has been completed. If the permitting has not been completed, Full Applications must include a permitting schedule that ensures successful project completion within the timeframes specified in this solicitation.
- ii. **Site Control.** Full Applications must describe the proposed project site and document site and equipment control. Site and equipment

control includes, but is not limited to: leases, ownership, or access rights. Applicants must also demonstrate thorough safety, maintenance, and training procedures will be in place.

iii. **California Environmental Quality Act (CEQA).** Full Applications must include information documenting progress towards achieving compliance under the CEQA. If CEQA compliance has not been obtained, applications must include a schedule to complete CEQA activities for the proposed project. See Item 12 below for the requirements for CEQA.

iv. **Community Outreach.** Full Applications must include information about planned community outreach, including outreach and discussions with fire marshals and educational efforts to explain the proposed project to the public with emphasis on outreach to the community impacted by the project. In order to qualitatively assess the level of community engagement in planning, design, and implementation of community scale projects, applicants can fill out the Community Engagement Questionnaire at <https://ww2.arb.ca.gov/resources/documents/cqi-methodologies> (Attachment 10). Applicants are encouraged to include support letters from communities impacted by or benefitting from the project.

v. **Feedstock Supply, Fuel Off-take, and Other Partnerships.** Include information on the status of developing agreements for feedstock supply and fuel off-take, as well as discuss any other partnerships that contribute to project success.

d. **Project Benefits and Co-Benefits**

Applicants must review CARB's guidance of the benefits and co-benefits at www.arb.ca.gov/cqi-quantification and complete and submit the LCFPP Benefit Calculator Tool as part of the Application. Additionally, the LCFPP Benefit Calculator Tool and other tools (<https://ww2.arb.ca.gov/resources/documents/cqi-methodologies>), such as Job Co-benefit Modeling Tool, should be used to complete the following:

- i. **In-State Ultra-Low-Carbon Fuel Production.** The LCFPP Benefit Calculator Tool includes co-benefits such as fossil fuel use reduction, renewable fuel generation, and material diverted from landfills. Describe and calculate the volume of petroleum transportation fuels displaced annually as a result of the eligible ultra-low-carbon fuels produced by the proposed project. Calculate the petroleum displacement in terms of diesel gallon equivalents (DGEs) per year.
- ii. **Total Greenhouse Gas Emissions Reductions.** Provide the total weight of CO₂ displaced in metric tons resulting from the proposed project on an annual basis. Report total carbon

emissions displaced on an annual basis and substantiate calculations.

Provide carbon intensity of the project's resulting fuel in grams of CO₂-equivalent per megajoule (gCO₂e/MJ). Carbon intensities must be calculated using a method that conforms to CARB's LCFS. Provide assumptions and calculations to substantiate claimed carbon intensities. The CARB calculation methodology guidance is available at:

<https://www.arb.ca.gov/fuels/lcfs/guidance/guidance.htm#guidance>

Report carbon intensity of the ultra-low-carbon fuel as a percentage reduction from the appropriate baseline and substantiate calculations. If the carbon intensity pathway of the proposed project has already been calculated through CARB's Low Carbon Fuel Standard (LCFS) process, Applicant must so state and provide the carbon intensity of the project's fuel and the pathway identifier(s) from the Low Carbon Fuel Standard Reporting Tool and Credit Bank & Transfer System (LRT-CBTS) (<https://ssl.arb.ca.gov/lcfsrt/Login.aspx>), in lieu of the above.

iii. ***Reduction of Criteria and Toxic Air Pollutant Emissions.***

Describe how the project will result in a reduction of criteria and toxic air pollutant emission. The LCFPP Benefit Calculator Tool includes the criteria and toxic air pollutant emission reduction.

iv. ***Economic Benefits.*** Describe how the proposed project will expand business opportunities for California-based businesses and how the proposed project results in high-quality jobs in terms of compensation and duration and related project payroll. Describe how the proposed project increases state and local tax revenues.

v. ***Sustainability.*** Describe how the proposed project preserves and/or enhances natural resources, including information related to water use efficiency or reclamation; use of sustainable or underutilized feedstocks that come from forest clearing or waste resources; renewable energy; or abandoned/reclaimed land used for energy crop production.

vi. ***Reduction of Short-Lived Climate Pollutants.*** Describe how the project will result in a reduction of short-lived climate pollutants. Explain if and how the proposed project reduces short-lived climate pollutants, including but not limited to black carbon, fluorinated gases, and methane.

e. **Project Budget and Cost Effectiveness**

i. ***Cost Effectiveness for Fuel Production.*** Full Applications must describe the cost-effectiveness of petroleum displacement in

terms of Energy Commission dollars per diesel gallon equivalent (DGE). Describe how the proposed project's budget minimizes Energy Commission funding per diesel gallon equivalent of ultra-low-carbon fuel produced annually.

- ii. **Cost Effectiveness for GHG Reduction.** Describe how the proposed project minimizes GGRF dollars per metric ton of GHG emissions reduced on an annual and 5-year project life basis. Full Applications must discuss how the proposed project results in a lower cost effectiveness score defined as the dollar of Energy Commission funding per the amount of annual GHG reductions and on a 5-year project life.
- iii. **Need for State Funds.** Full Applications must include rationale as to why state funds are necessary for their proposed project and identify why the proposed use of state funds is crucial to project success. Describe how state funds increase the ability to leverage private capital when the project assists in commercializing a technology, increase cost effectiveness of a technology, or utilize a sustainable and underutilized feedstock.
- iv. **Reasonableness of Proposed Costs.** Describe how the budget is reasonable. Describe and document how the proposed match share is committed to the project and the amount or dollar value is reasonable, available, and verifiable.

- f. **Benefits to Priority Populations**
Proposals may receive preference points for project(s) that benefit priority populations, as specified in Scoring Criterion 6, California Health and Safety Code section 39713, and CARB Guidelines.

NOTE: Preference Points are optional. Applicants must meet the minimum passing score to be eligible for additional points. That is, preference points may not be utilized to obtain the minimum overall passing score.

If seeking preference points, the Applicant must fill out the Evaluation Criteria for Providing Benefits to Priority Populations (Attachment 11).

In Attachment 11, Applicants must describe their efforts to providing direct, meaningful and assured benefits and address an important community need using the following evaluation approach:

- Step 1: *Identify the Priority Population(s).* Priority populations are located within a census tract identified as a disadvantaged community or low-income community, or directly benefit residents of a low-income household.

The following web link provides interactive maps to aid in determining geographic eligibility for disadvantaged and low-income communities: www.arb.ca.gov/cc-communityinvestments.

- **Step 2: *Address a Need.*** Meaningfully address an important community or household need for the identified priority population(s). The Applicant must document the approach for determining community need and the level of engagement and how community input was considered in the project design.

An alternative to direct community engagement is to identify individual factors in CalEnviroScreen that most impact a disadvantaged or low-income community, receive documentation of broad support for a proposed project from local community based organizations and residents, or select a need from the list of common needs⁹ and document broad support from local community based organizations and/or residents.

- **Step 3: *Provide a Benefit.*** Identify at least one direct, meaningful, and assured benefit that the project provides to priority populations. Projects must meet at least one of the following benefit criteria¹⁰:
 - Project provides incentives for vehicles, equipment, or renewable transportation fuel that reduce criteria air pollutant or toxic air contaminant emissions, such as diesel particulate matter.
 - Project provides greater mobility and increased access to clean transportation for residents of a disadvantaged or low-income community by placing services in that community, including ride-sharing, car-sharing, or other advanced technology mobility options (e.g., neighborhood electric vehicles, vanpooling, shuttles, smartphone application-based ride-sharing services, bike-sharing services).
 - Project provides high-quality (e.g., local living wages, health insurance, paid leave) jobs to priority populations.
 - The majority (>50%) of waste utilized, recovered or processed by the project is diverted from landfills located in disadvantaged or low-income communities.
 - Project replaces an existing wood burning device with a more efficient heating device available for sale in California that meets the most stringent emission standard in the United States, and thereby reduces energy costs to residents.

All the relevant criteria can be found in the LCFPP Benefit Calculator Tool.

⁹ See Examples of Common Needs of Priority Populations in the Funding Guidelines www.arb.ca.gov/cc/fundingguidelines.

¹⁰ See the Clean Transportation and Equipment Evaluation Criteria for Providing Benefits to Priority Populations: https://www3.arb.ca.gov/cc/capandtrade/auctionproceeds/ccidoc/criteriatable/criteria-table-cte.pdf?_ga=2.236255041.1110642044.1562003378-407710402.1547147343.

For applications that contain multiple locations, the Applicant must address and discuss each of the three steps for each location, along with the amount of Energy Commission funds to be spent in each location.

Projects claiming to benefit priority populations must be designed to avoid substantial burdens (e.g., displacement of low income, disadvantaged community residents and businesses or increased exposure to toxics or other health risks).

Preference points will be awarded based on whether the project meets all the requirements indicated in CARB guidance which is posted at the following: www.arb.ca.gov/cc/fundingguidelines. If the project meets all three steps, then the proposal will obtain preference points. There will be no proration of points if some plants meet the requirement and others do not.

5. **Scope of Work**

Applicants must include a completed Scope of Work utilizing the template contained in Attachment 2. Instructions for completing the Scope of Work as well as a sample are included in Attachment 3. The description of activities proposed in the Project Narrative must conform to the Tasks described in the Scope of Work. Electronic files for the Scope of Work must be in MS Word.

Applicants must present a comprehensive and credible scope of work which includes (presented in a logical manner) comprehensive and sequential tasks, products resulting from the individual tasks, and how the tasks are related to or are dependent on each other.

6. **Schedule of Products and Due Dates**

Applicants must include a completed Schedule of Products and Due Dates (Attachment 4). All work must be scheduled for completion by no later than **March 31, 2024** to allow timely processing of final invoices before the liquidation date of the funds. Instructions for the Schedule of Products and Due Dates are included in Attachment 4. Electronic files for the Schedule of Products and Due Dates must be in MS Excel.

7. **Project Team Resumes**

For each key individual working on the proposed project, Full Applications must include a current individual resume including job title and description, relevant experience, education, academic degrees, professional licenses, and contact information. Resumes are limited to a maximum of 2 pages each.

8. **Previous Work Products (optional)**

Provide examples of past projects detailing technical and business experience of the Applicant (or any member of the project team) that is related to the proposed work.

9. **Budget Forms**

- a. The Applicant must submit information on all budget forms contained in Attachment 5. All budget forms are required because they will be used for the agreement prepared with the winning Applicant(s). A separate set of complete budget forms, including the full set of worksheets, is required for the Applicant and for each subcontract containing: 1) \$100,000 or more of Energy Commission funds; or 2) 25% or more of the total Energy Commission funds requested, whichever is less.
- b. Detailed instructions for completing these forms are included at the beginning of Attachment 5.
- c. Rates and personnel shown must reflect rates and personnel charged under an agreement resulting from this solicitation. The salaries, rates, and other costs entered on these forms become a part of the final agreement. The entire term of the agreement and projected rate increases must be considered when preparing the budget. The rates proposed are considered capped and shall not change during the term of the agreement. The Recipient shall only be reimbursed for their **actual** rates up to these rate caps. The hourly or monthly rates provided shall be unloaded (before fringe benefits or indirect costs).
- d. The information provided in these forms will not be kept confidential.
- e. All reimbursable expenditures must be expended within the approved term of the funding agreement. Expenditures may be counted as match share only after the Energy Commission notifies the Applicant that its project has been proposed for an award through the release of a Notice of Proposed Awards (NOPA). However, match expenditures incurred prior to the full execution of a funding agreement are made at the Applicant's own risk.
- f. The Budget must allow for the expenses of a Kick-off Meeting, at least one (1) Critical Project Review meeting, and a Final meeting. It is anticipated that meetings will be conducted at the Energy Commission located in Sacramento, CA. Attendance by WebEx is encouraged to reduce travel expenses and greenhouse gas emissions.
- g. Applicants must budget for permits, insurance, etc. The Energy Commission will not reimburse expenditures for permitting or insurance. However, these expenditures can be included as match share expenditure.
- h. The Budget must allow for the preparation and submission of monthly progress reports (1-2 pages each) during the approved term of the agreement, and a Final Report. Instructions for preparing the Final Report will be provided to successful applicants.
- i. The purchase of equipment (defined as items with a unit cost greater than \$5,000 and a useful life of greater than one year) with Energy Commission funds will require disposition of purchased equipment at the

end of the project. Typically, Grant Recipients may continue to utilize equipment purchased with Energy Commission funds as long as the use is consistent with the intent of the original agreement. **There are no disposition requirements for equipment purchased with match share funding.**

- j. The Budget must reflect estimates for **actual** costs to be incurred during the approved term of the project. The Energy Commission can only approve and reimburse for actual costs that are properly documented in accordance with the Grant Terms and Conditions.
- k. The budget must be written to allow match share expenditures to be expended concurrently with or ahead of the Energy Commission expenditures.
- l. The budget must be written to allow match share expenditures to be expended concurrently with or ahead of Energy Commission expenditures.
- m. Applicants shall **NOT** budget for, and **CANNOT** be reimbursed for, more than their actual allowable expenses (i.e., the budget cannot include profit, fees, or markups) under the agreement. Subcontractors (all tiers) are allowed to include up to a maximum total of 10% profit, fees or mark-ups on their own actual allowable expenses less any expenses further subcontracted to other entities (i.e., profit, fees and markups are not allowed on subcontractor expenses). For example, if a subcontractor has \$100,000 in actual allowable costs but has further subcontracted \$20,000 to another entity, then the subcontractor can only include up to 10% profit on \$80,000 (\$100,000 minus \$20,000). See terms and conditions for more information on allowable costs.
- n. **IMPORTANT - Payment of Prevailing Wage:** Applicants must read and pay particular attention to the Terms and Conditions (Attachment 9) and the section related to Public Works and Payment of Prevailing Wages. Prevailing wage rates can be significantly higher than non-prevailing wage rates. Failure to pay legally-required prevailing wage rates can result in substantial damages and financial penalties, termination of the agreement, disruption of projects, and other complications.

10. **Contact List**

Applicants must include a completed Contact List (Attachment 6) by including the appropriate points of contact for the Applicant. The Energy Commission will complete the Energy Commission points of contact during agreement development.

11. **Letters of Support/Commitment**

Applicants must include appropriate letters of support/commitment. Letters must include sufficient contact information so the Energy Commission is able to efficiently contact the letter writer, as necessary. Letters must be limited to 2 pages each.

- a. **Key Project Partners (mandatory if applicable):** Key project partners identified in the Full Application must provide letters demonstrating their commitment to the proposed project and their ability to fulfill their identified roles.
- b. **Third-party Match Share Contributors (mandatory if applicable):** Any third-party match share contributors must identify the intended amount of match, the funding source(s), and state that the match share contributor will provide the identified match funding. Letters of commitment from third party match share contributors must contain a telephone number to allow the Energy Commission to contact the match share partner or representative to confirm their authority to commit matching funds to the proposed project. Applicants are encouraged to submit additional documentation, both public and confidential (see Section VI.D), to further substantiate the commitment from each match share partner. Examples include past projects funded, with contacts.

Any match funding pledged in Attachment 1B must be consistent with the amount or dollar value described in the commitment letter(s) (e.g., if \$5,000 “cash in hand” funds are pledged in a commitment letter, Attachment 1B must match this amount). Only the total amount pledged in the commitment letter(s) will be considered as eligible match.

- c. **Letters of Support (optional):** Applicants are encouraged to submit letter(s) of support that substantiate the estimated demand and/or the potential benefits of the proposed project. Third-party letters of support can be provided by, but are not limited to: air districts, state or federal agencies, local safety officials, potential users of the proposed project, and any other relevant organizations. Support letters from the community, especially AB1550 priority population, should identify the specific social, economic, and environmental benefits that will be provided to the community.
- d. **Feedstock Commitments (optional):** Applicants are encouraged to submit copies of correspondence with commitments to supply feedstock for the proposed project.
- e. **Off-Take/Purchase Commitments (optional):** Applicants are encouraged to submit copies of correspondence with commitments to purchase or distribute the ultra-low-carbon fuels produced by the proposed project.

12. **CEQA Worksheet**

Applicants must include a completed CEQA Worksheet (Attachment 7). The Energy Commission requires this information to assist it in making its own determination under the California Environmental Quality Act (Public Resources Code Section 21000 et seq).

Applicants must complete the detailed CEQA Worksheet and submit it with their applications. This worksheet will help applicants and the Energy Commission to determine CEQA compliance obligations by identifying which projects may

require more extensive CEQA review. If the project includes only activities that do not trigger CEQA, such as paper studies, then the worksheet will help identify and document this. Failure to complete the worksheet may lead to disqualification of the proposal.

Applicants are encouraged to provide documentation of communication with the local lead agency, if one exists (e.g., a county or city). Documentation such as a completed notice of exemption, a letter from the local agency acknowledging their role in the CEQA process, or a permit application to the lead agency that is stamped as received. If no CEQA review would be required by the local lead agency, provide documentation (letter or e-mail) from the local agency explaining why not.

Note Regarding Encumbrance Deadlines and Disclaimer: The funds under this solicitation have a strict encumbrance deadline. The Energy Commission must complete environmental review under CEQA and approve each grant at a Business Meeting prior to the applicable encumbrance deadline. Funds *must* be encumbered prior to June 30, 2020. To maintain the schedule for a grant agreement to be approved at the business meeting, it is recommended that applicants submit all CEQA documentation including a CEQA determination already made by a lead agency to the Energy Commission as soon as possible and **no later than 30 calendar days after the NOPA is posted.**

Thus, if a project cannot complete CEQA review in time to meet the applicable encumbrance deadline, **the Energy Commission reserves the right to cancel the proposed award** and recommend funding the next highest scoring award that can meet the encumbrance deadline, in addition to any other rights afforded the Energy Commission by law, and regardless of the Applicant's diligence in submitting CEQA information and materials. Further, the Energy Commission is not liable for any costs incurred during environmental review or as a result of cancelling the proposed award.

13. **Photographic Evidence of the Proposed Project Location:** Full Applications must provide non-confidential photographic images with both date and time stamps of the proposed project location.
14. **Localized Health Impacts Information Form**
Applicants must complete and submit a Localized Health Impacts Information Form (Attachment 8). The Energy Commission requires this information to assist in developing and publishing a localized health impact report.
15. **LCFPP Benefits Calculator Tool (Version 1.1)**
Applicants must download the LCFPP Benefits Calculator Tool (**Version 1.1**) and the instructions from www.arb.ca.gov/cc-quantification. Full Applications must fully complete the LCFPP Benefits Calculator Tool, including the project benefits and co-benefits.
16. **Community Engagement Questionnaire**
Applicants must complete and submit a Community Engagement Questionnaire (Attachment 10). The Energy Commission requires this information to evaluate community engagement.

17. **Evaluation Criteria for Providing Benefits to Priority Populations**
Applicants who pursue preference points must complete and submit an Evaluation Criteria for Providing Benefits to Priority Populations (Attachment 11).

VII. Full Application Evaluation Process and Criteria

A. FULL APPLICATION EVALUATION

This section explains how the Full Applications will be evaluated.

Full Applications will be evaluated and scored based on the responses to the information requested in this solicitation. The entire evaluation process from receipt of Full Applications to posting of the Notice of Proposed Award is confidential. Please note that after the NOPA is posted, all applications, excluding specified technology, marketing, and financial information submitted in accordance with Section VI.D, will be publicly available.

To evaluate all Full Applications, the Energy Commission will organize an Evaluation Committee. The Evaluation Committee will consist of Energy Commission staff or staff of other California state entities. The evaluation committee may consult industry experts under LCFPP's technical support contract; however, industry representatives will not provide a score and will be bound by confidentiality agreements.

The Full Application will be evaluated in two stages:

1. Full Application Screening Criteria

The Contracts, Grants and Loans Office will screen Full Applications for compliance with the Full Application Administrative Screening Criteria. The Evaluation Committee will screen Full Applications for compliance with the Full Application Technical Screening criteria. Full Applications that fail any of the Administrative or Technical Screening Criteria shall be disqualified and eliminated from further evaluation.

2. Full Application Administrative Screening Criteria

FULL APPLICATION ADMINISTRATIVE SCREENING CRITERIA <i>The Full Application must pass ALL Full Application administrative screening criteria.</i>	Pass/Fail
1. The Full Application is received by the Energy Commission's Contracts, Grants, and Loans Office by the due date and time specified in the "Key Activities Schedule" in Section I of this solicitation.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
2. The Full Application Form (Attachment 1B) is complete and is signed by the Applicant's authorized representative. The Applicant provides the required authorizations and certifications.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
3. The Applicant has not included a statement that is contrary to the required authorizations and certifications.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
4. The Application does not contain confidential information or any portion marked confidential, except for information submitted in accordance with Section VI.D, separated and clearly labeled as confidential.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail

3. Full Application Technical Screening Criteria

TECHNICAL SCREENING CRITERIA <i>The Full Application must pass ALL technical screening criteria.</i>	Pass/Fail
1. Applicant is eligible to apply under this solicitation (Section II.A, Applicant Requirements).	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
2. Proposed project is eligible in accordance with this solicitation (Section II.B, Project Requirements).	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
3. Proposed project meets the minimum match share requirement of 50%.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
4. The Full Application is based on and consistent with a Pre-Application Abstract receiving a passing score under this solicitation.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail

4. Grounds to Reject an Application

In addition to the Screening Criteria identified within this solicitation, the Energy Commission reserves the right to reject an Application and/or cancel an award if at any time during the Application or agreement process the following circumstances are discovered:

- a. The Application contains false or intentionally misleading statements or references which do not support an attribute or condition contended by the Applicant.
- b. The Application is intended to erroneously and fallaciously mislead the State in its evaluation of the Application and the attribute, condition, or capability is a requirement of this solicitation.
- c. The Application does not literally comply or contains caveats that conflict with the solicitation and the variation or deviation is material or it is otherwise non-responsive.
- d. The Applicant has previously received funding through a Public Interest Energy Research (PIER) agreement, has received the PIER Royalty Review letter which the Energy Commission annually sends out to remind past recipients of their obligations to pay royalties, and has not responded to the letter or is otherwise not in compliance with repaying royalties.

5. Technical Evaluation

Full Applications passing all Full Application screening criteria will be submitted to the Evaluation Committee to review and score based on the Full Application Evaluation Criteria in this solicitation.

The Evaluation Committee reserves the right to schedule a clarification interview with an Applicant that will either be held by telephone or in person at the Energy Commission for the purpose of clarification and verification of information provided in the Full Application. However, these interviews may not be used to change or add to the contents of the original Full Application. Applicants will not be reimbursed for time spent answering clarifying questions.

The total score for each Full Application will be the average of the combined scores of all Evaluation Committee members.

A minimum score of 70 percent (63 points) is required for the Business Plan evaluation criterion to be eligible for funding.

A minimum score of 70 percent (42 points) is required for the Project Readiness and Implementation evaluation criterion to be eligible for funding.

A minimum overall score of 70 percent (210 points) is required for the Full Application to be eligible for funding.

Preference Points (optional): Applicants must meet the minimum passing score to be eligible for the additional points.

Full Applications that receive a minimum overall score of 70 percent (210 points) and obtain the required minimum score in the Business Plan and Project Readiness and Implementation evaluation criteria will be ranked according to their overall score. The highest scoring, passing Full Application will be recommended for funding. The remaining funds will then be allocated to the next highest scoring application(s) achieving a passing score in ranked order until all funds available under this solicitation are exhausted. The Energy Commission will recommend awards to the highest ranked projects (according to final overall Full Application score) achieving a passing score until available funding under this solicitation has been exhausted.

B. NOTICE OF PROPOSED AWARDS

The results of the evaluation will be posted in a Notice of Proposed Awards (NOPA) and will include the recommended funding level and the rank order of applicants. The Energy Commission will post the NOPA at the Energy Commission's headquarters in Sacramento, publish the NOPA on the Energy Commission's website, and mail the NOPA to all parties that submitted an Application.

C. FULL APPLICATION DEBRIEFINGS

Unsuccessful applicants may request a debriefing after the release of the NOPA. A request for debriefing should be received no later than 15 days after the NOPA is released.

D. SCORING SCALE

Using this Evaluation Scale, the Evaluation Committee will give a score for each criterion described in the Full Application Evaluation Criteria.

% of Possible Points	Interpretation	Explanation for Percentage Points
0%	Not Responsive	Response does not include or fails to address the requirements being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable.

10-30%	Minimally Responsive	Response minimally addresses the requirements being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
40-60%	Inadequate	Response addresses the requirements being scored, but there are one or more omissions, flaws, or defects or the requirements are addressed in such a limited way that it results in a low degree of confidence in the proposed solution.
70%	Adequate	Response adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
75%	Between Adequate and Good	Response better than adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
80%	Good	Response fully addresses the requirements being scored with a good degree of confidence in the Applicant's response or proposed solution. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.
85%	Between Good and Excellent	Response fully addresses the requirements being scored with a better than good degree of confidence in the Applicant's response or proposed solution. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.
90%	Excellent	Response fully addresses the requirements being scored with a high degree of confidence in the Applicant's response or proposed solution. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations.
95%	Between Excellent and Exceptional	Response fully addresses the requirements being scored with a better than excellent degree of confidence in the Applicant's response or proposed solution. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations.
100%	Exceptional	All requirements are addressed with the highest degree of confidence in the Applicant's response or proposed solution. The response exceeds the requirements in providing multiple enhancing features, a creative approach, or an exceptional solution.

E. FULL APPLICATION EVALUATION CRITERIA

Full Applications that pass screening will be scored based on the following scoring criteria.

The total score for each Full Application will be the average of the combined score of all Evaluation Committee members. Only Full Applications that receive a 70 percent or higher in the Business Plan criterion, a 70 percent or higher in the Project Readiness and Implementation criterion, and a 70 percent or higher in total score will be eligible for funding.

Preference Points (optional): Applicants must meet the minimum passing score to be eligible for the additional points.

Full Application Evaluation Criteria	Maximum Possible Points
<p>1. Project Team Qualifications – Full Applications will be evaluated on the degree to which...</p> <ul style="list-style-type: none"> • The project team’s qualifications (including relevant expertise, experience, and skill sets) are suitable to the tasks described in the proposed Scope of Work. • The Applicant demonstrates ability to meet deadlines and milestones of current or past ultra-low-carbon fuels projects. • The project team has verifiable low-carbon fuels production related experience. • Qualifications, skills, abilities, and relevant technical and business experience of project team, key project partners, Engineering, Procurement, and Construction contractors (EPC), and technology providers, as it aligns with the needs of the project and with the successful completion of the proposed project. • Applicant has performed satisfactorily under other Energy Commission funded agreements and has fulfilled/is fulfilling agreement requirements. 	30
<p>2. Business Plan– Three elements of the business plan will be evaluated with a maximum possible score of 30 points per element. Full Applications will be evaluated on the degree to which...</p> <p><i>Technology Plan.</i></p> <ul style="list-style-type: none"> • The proposed technology is feasible both technically and economically. • The proposed technology demonstrates the commercial readiness and viability. The proposed technology is adequate to achieve the goals and objectives of the proposed project. • The proposed technologies and processes contribute to the facility’s ability to compete in the commercial California marketplace and increase the in-state production of ultra-low-carbon fuels. • The roles of technology partners are identified, documented and secured, including the legal or contractual relationship and obligations between partners. • The proposed technology is replicable or can be further scaled up to expand production capacity. • The proposed technology is a transformative approach to a critical ultra-low-carbon fuel technology issue or market barrier. 	30

Full Application Evaluation Criteria	Maximum Possible Points
<p>Marketing Plan.</p> <ul style="list-style-type: none"> • Target markets, populations, market drivers, and anticipated market growth are credible and documented. • Market barriers and existing or potential competition are identified and adequately addressed to ensure project success. • The role of strategic marketing partners, customers, and other partners (including fuel and co-product off-take agreements) will contribute to the success and sustainability of the proposed project. <p>Financial Plan.</p> <ul style="list-style-type: none"> • The proposed project demonstrates economic viability based on the financial information provided (Section VI.E.b.iii for details). • The Applicant and key project partners have the financial ability to successfully implement the proposed project and continue operations beyond the project term. • The financial plan identifies project risks and effective strategies to manage and mitigate those risks. • Feedstock supply is cost-effective, appropriate and secured to support long-term, ongoing and uninterrupted ultra-low-carbon fuel production. • The long-term commercialization pathway following project completion is identified, reasonable, and viable. • Co-products or other revenue streams are identified and contribute to the production of cost-competitive ultra-low-carbon fuels. • The long-term economic viability of the proposed project is not dependent on the potential LCFS, RFS2, and/or cap and trade credits received. • The Applicant's liability related to pending or filed litigation in which Applicant is a party is mitigated or not expected to impact project execution. <p>NOTE: Full Applications must obtain a minimum passing score of 63 points within this evaluation criterion to be eligible for funding.</p>	<p>30</p> <p>30</p>
<p>3. Project Readiness and Implementation – Full Applications will be evaluated on the degree to which...</p> <ul style="list-style-type: none"> • Required permitting for the proposed project/facility has been completed or the permitting schedule ensures successful project completion within the timeframes specified in this solicitation. • The date full production capacity and operation at capacity can be expedited. • Site and equipment control is secured. • Thorough safety, maintenance, and training procedures will be in place. 	<p>60</p>

Full Application Evaluation Criteria	Maximum Possible Points
<ul style="list-style-type: none"> • The project has achieved compliance under the CEQA or can be completed within the timeframes specified in this solicitation. • The planned community outreach is appropriate, comprehensive, and contributes to the overall success of the proposed project. • The tasks in the Scope of Work contribute to the successful and timely completion of the proposed project. • The Applicant has secured feedstock and off-take agreements for full production capacity and to support long-term, ongoing, uninterrupted production. <p><i>NOTE: Full Applications must obtain a minimum passing score of 42 points within this evaluation criterion to be eligible for funding.</i></p>	
<p>4. Project Benefits and Co-Benefits – Full Applications will be evaluated on the degree to which...</p> <ul style="list-style-type: none"> • The LCFPP Benefit Calculator Tool is filled out completely and the results demonstrate project benefits and co-benefits. • The proposed project will expand in-state ultra-low-carbon fuel production. • The proposed project will result in GHG emission reductions. • The proposed project will result in criteria and toxic air pollutant emission reductions. • The proposed project will expand business opportunities for California-based businesses. • The proposed project will result in high-quality jobs in terms of compensation and duration and related project payroll. • The proposed project will increase state and local tax revenues. • The proposed project will preserve and/or enhances natural resources. • The proposed project will reduce short-lived climate pollutants. 	60

Application with a higher score in the Business Plan criterion will be ranked higher. If still tied, an objective tie breaker will be used (such as a random draw).

VIII. Administration

A. COST OF DEVELOPING APPLICATION

The Applicant is responsible for the cost of developing a pre-application abstract and if applicable a full application, and this cost cannot be charged to the State.

B. CONFIDENTIAL INFORMATION

The Energy Commission will not accept or retain any applications that have any portion marked confidential except for specified technology, marketing, and financial information submitted in accordance with Section VI.D, separated and clearly labeled as a confidential volume in response to this solicitation.

C. SOLICITATION CANCELLATION AND AMENDMENTS

It is the policy of the Energy Commission not to solicit applications unless there is a bona fide intention to award an agreement. However, if it is in the State's best interest, the Energy Commission reserves the right to do any of the following:

- Cancel this solicitation.
- Revise the amount of funds available under this solicitation.
- Amend this solicitation as needed.
- Reject any or all applications received in response to this solicitation.

If the solicitation is amended, the Energy Commission will send an addendum to all parties who requested the solicitation and will also post it on the Energy Commission's website at www.energy.ca.gov/contracts.

D. ERRORS

If an Applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation, the Applicant shall immediately notify the Energy Commission of such error in writing and request modification or clarification of the document. Modifications or clarifications will be given by written notice of all parties who requested the solicitation, without divulging the source of the request for clarification. The Energy Commission shall not be responsible for failure to correct errors.

E. MODIFYING OR WITHDRAWAL OF APPLICATION

An Applicant may, by letter to the Commission Agreement Officer at the Energy Commission, withdraw or modify a submitted Application before the deadline to submit applications. Applications cannot be changed after that date and time. An Application cannot be "timed" to expire on a specific date. For example, a statement such as the following is non-responsive to the solicitation: "This Application and the cost estimate are valid for 60 days."

F. IMMATERIAL DEFECT

The Energy Commission may waive any immaterial defect or deviation contained in an Applicant's Application. The Energy Commission's waiver shall in no way modify the Application or excuse the successful Applicant from full compliance.

G. DISPOSITION OF APPLICANT'S DOCUMENTS

The entire evaluation process from receipt of applications up to the posting of the Notice of Proposed Award is confidential. On the Notice of Proposed Award posting date, or date of solicitation cancellation, all applications and related material submitted in response to this solicitation become a part of the property of the State and public record. Applicants who want any work examples they submitted with their applications returned to them shall make this request and provide either sufficient postage or a Courier Charge Code to fund the cost of returning the examples.

H. APPLICANTS' ADMONISHMENT

This solicitation contains the instructions governing the requirements for a firm quotation to be submitted by interested applicants, the format in which the technical information is to be submitted, the material to be included, the requirements which must be met to be eligible for consideration, and applicant responsibilities. Applicants must take the responsibility to carefully read the entire solicitation, ask appropriate questions in a timely manner, submit all required responses in a complete manner by the required date and time, and make sure that all procedures and requirements of the solicitation are followed and appropriately addressed.

I. AGREEMENT REQUIREMENTS

The content of this solicitation shall be incorporated by reference into the final agreement. See the sample agreement terms and conditions included in this solicitation.

The Energy Commission reserves the right to negotiate with applicants to modify the project scope, the level of funding, or both. If the Energy Commission is unable to successfully negotiate and execute a funding agreement with an Applicant, the Energy Commission, at its sole discretion, reserves the right to cancel the pending award and fund the next highest ranked eligible project.

The Energy Commission must formally approve all proposed grant awards. Energy Commission agreements for over \$75,000 must be scheduled and considered at an Energy Commission Business Meeting for approval by the Energy Commission.

Public agencies that receive funding under this solicitation must provide an authorizing resolution approved by their governing authority to enter into an agreement with the Energy Commission and designating an authorized representative to sign.

The Energy Commission will send the approved agreement, including the general Terms and Conditions and any additional terms and conditions, to the grant recipient for review, approval, and signature. Once the grant recipient signs, the Energy Commission will fully execute the agreement. Recipients are approved to begin the project only after full execution of the agreement.

J. NO AGREEMENT UNTIL SIGNED AND APPROVED

No agreement between the Energy Commission and the successful Applicant is in effect until the agreement is signed by the Recipient, approved at an Energy Commission Business Meeting, and signed by the Energy Commission representative.

The Energy Commission reserves the right to modify the award documents prior to executing the agreement.